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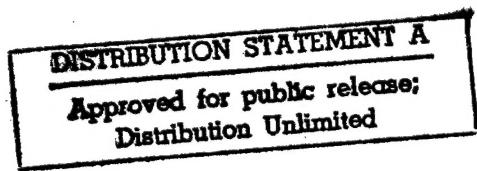
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18 AUGUST 1986

# East Europe Report

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## STATE OF CROPS, RECOMMENDED MEASURES TO INCREASE YIELDS

## Progressive Methods Increase Yields

Sofia, KOOPERATIVNO SELO in Bulgarian 13 Jun 86 pp 1,2

[Article by Toma Khristov: "Razgradski District Creates a Scientific Agricultural System"]

[Text] Farm workers in Razgradski District have achieved significant results in grain production, but if they are to have even greater success they must overcome the tendency toward lower soil fertility. Water and wind erosion have intensified, the areas with higher soil acidity are becoming larger, and the acidity itself has risen, while excess surface moisture on some fields has begun to create difficulties. The cost per unit product has obviously increased because of all these factors.

In the campaign to overcome these negative factors, the farm workers have resorted to application of reduced tilling, direct seeding, and subsoiling of areas with excess surface moisture. These methods have been relied on, firstly, to prevent soil degradation processes, and, secondly, to lower production costs as resource conservation measures. These scientifically proven technologies have not been applied in a strictly scientific manner. In most cases they have yielded positive results, but the outcome has been negative in some instances. This is observed most often in subsoiling. During one of his visits to the district, Comrade Todor Zhivkov directed that an integrated strategy be evolved for the development of agriculture in this district. This has meant in practice the elaboration of a system of agriculture in which scientific and technical accomplishments are put to practical use.

This system made its first appearance in the APK [agroindustrial complex] in Razgrad. Its example was promptly followed by the agroindustrial complexes in Isperikh, Kubrat, Yuper, and the other complexes, being gradually transformed into an orderly system for the entire district.

"It includes several subsystems combined to form a unified whole based on the agroecologic approach," says Tsonyo Markov, secretary of the Bulgarian Communist Party district committee. "It is primarily a soil cultivation subsystem which is followed by fertilizer application, irrigation, and plant protection subsystems, and accordingly a system of yield management during the growing season."

When it was ready to carry out its plans, the Razgrad APK turned for assistance to the N. Pushkarov Study and Design Institute. A project group headed by senior scientific associate Kostadin Rakov was set up. It included various specialists of the institute and the district, as well as work brigade leaders. So it was that the first project for introduction of new technologies and technological solutions in crop production made its appearance in Bulgaria, on the premises of the Lenin APK in Razgrad. It will soon be stored in the computer memory of the information system. The chairman of the complex, Marin Drumev, had the following to say about it: "In the 30 years spanning my career I have never had available to me a document so descriptive and informative for direct management of current and long-term production."

The same scientific associates of the institute also took part in the elaboration of projects at other complexes. The projects differ from each other in being adapted to specific conditions, but they are unified by their common principles and represent an orderly system for conduct of agricultural production. Thanks to the agroecologic approach, which is the unifying feature of the projects, the basic objective is reached, which is determination of the most correct alternation of the crops involved in crop rotation whereby the new technologies are most efficiently applied, along with proper location of the crops incorporated in an integrated system of soil cultivation and crop fertilization.

The projects do not include all farm land. To allow for the possibility of making the necessary annual changes in the plan indicators of the APK and the brigades, the projects apply on the average to 60 to 80 percent of the area of the production units under cultivation. However, the crop rotations are not subject to change once they have been established. These rotations are used as the basis for differentiated cultivation of the soil as a function of the preceding crop and the crop under cultivation. This includes primarily periodic levelling of land at intervals of 4 or 5 years with long-base graders. This ensures that subsequent cultivation will be of high quality.

The basic soil-tilling implement in the system is the KRN mounted scarifier. It works at various depths as required, but penetration of the soil to a depth of 30 to 35 centimeters is required in all cases to break up the soil compacted by the heel casting of the plow. The cultivation required is reduced, and labor productivity is increased by as much as 42 percent. The question is naturally asked, is the plow eliminated as a soil-tilling implement? The answer is, almost. The plow must be used to turn up old alfalfa crops, but hardly in other cases.

The project calls for application of the direct seeding method. The introduction of this method is being accomplished very successfully in the district insofar as autumn and aftercrops are concerned. The attachments made for this purpose by the machinebuilding plant in the city of Zavet have proved to be very successful. However, there is as yet no suitable drill for spring crops, and one should have made its appearance on the market long ago.

The crop rotation schedule indicates precisely when and how deep loosening (subsoiling) is to be carried out on land with a heavy mechanical soil composition and a compacted subsurface layer. There must be neither more nor

less loosening than provided by the program. For example, in 1985 it was applied on 6,000 decares in the Razgrad APK, and this year will be carried out on 8475 decares, depending on the preceding crop and the aftercrop involved. In 1987, only 2,000 decares will undergo this treatment, and 6,840 in 1988.

Phosphorus-potassium storage fertilization also occupies a specific place in the crop rotation system. Such fertilization is carried out prior to planting of the crops for which it yields the greatest economic effect. The rates of application, the forms of the mineral fertilizers, and the application periods are determined on the basis of the annual recommendations of the automated national fertilization system and by the agroecologic laboratory of the Agromodel ID in Razgrad. This laboratory also makes recommendations, on the basis of approximate analyses, regarding differentiated spray nutrition of crops. Dispensing with the stereotyped approach, the laboratory has found in 1986, for example, that some sown crops should not be subjected to spray nutrition. Many persons did not believe this, but they followed the recommendations and were not disappointed. The laboratory will assume an even greater role in formation of the yield during the growing season with the forthcoming field installation of the EREKS computer systems. They will provide information at all times on a number of factors on which the yield depends, such as temperature, humidity, and the content of assimilable nutrients in each specific planted crop.

The cultivation and fertilization subsystem, with its typical alternation of crops, also includes elements for control of diseases, pests, and weeds. But this is merely the foundation on which the plant protection subsystem will be erected. Intensive work on the subsystem is being done by project groups in which scientific associates of the Kostinbrod IZR participate. When it has been completed, the agricultural system in Razgradski District will also assume its finished form. It should receive the attention of the other districts as an example of scientific management of agriculture.

#### High Harvest Potential Indicated

Sofia KOOPERATIVNO SELO in Bulgarian 14 Jun 86 p 1

[Unsigned article: "Such Great Potential"]

[Text:] The harvest has begun. As they do every year at this time, the aftercrops have now come into prominence. This situation will continue into the future, because Bulgaria has only a limited amount of tillable land, and the most efficient possible use must be made of this land, so that two and in some places even three harvests can be gathered from the same fields.

Moreover, the climatic characteristics of the country are such that the uneven distribution of precipitation introduces a risk factor into agriculture. In individual years the expected yield cannot be obtained from some crops, and additional reserves must be found for fulfilling the plan in agriculture. The year 1985 gave the best example of this. Last year was a rainy one, but spring as usual went by without rainfall. It is already obvious that the planned output cannot be obtained from the autumn crops. The drought that has continued up to the present has also had an impact on the spring crops. Nevertheless, the required amounts of bread and fodder grain and of succulent

feeds and roughage must be produced. This is to be accomplished by tapping the large potential of our socialist agriculture.

Aftercrops represent part of this potential, that is, aftercrops understood not as decares sown and recorded as such, as is often the case, but as actual potential for additional production of grain, vegetables, and fodder. This requires correct determination of their structure as a function of the conditions in the individual agroecologic regions, along with proper care for them as for the primary crops.

Is this what is done in practice?

The hierarchically superior organizations make the calculations, and the APK and the work brigades object to them but comply with them so as not to cause any unpleasant consequences for themselves. They subsequently devote no care to the aftercrops. The principles of the economic approach, those governing the self-managed agricultural organizations, are grossly violated. Costs are incurred, but the production corresponding to them is not obtained, and maintenance of production in agriculture becomes more costly.

It is the agroindustrial complexes and work brigades which should decide how much of a crop and which crops are to be planted following the autumn crop harvest in order to fulfill their obligations to the government and to the rural settlement system and to provide the necessary fodder for their livestock.

The most dependable harvest is that of aftercrops planted on irrigated land, but again in 1986 the water in the reservoirs will in most places reach only the vegetable gardens and the alfalfa and feed corn crops. Most of the aftercrops must be planted on non-irrigated land. These crops are unquestionably at high risk, but is there really no risk for the primary crops as well? Can it be that, as in the past, in 1986 also the farmers have failed to do what is necessary to obtain a good harvest from the fall crops? They did what was needed, but the drought has taken everything away. The extent of risk in the case of aftercrops can be greatly reduced if they are planted in time and if the necessary care is taken of them. The experience of the last few years has shown that the available moisture in the soil is the most efficiently utilized through direct seeding up to the fourth day following harvesting of the primary crop. And the moisture content of the soil is higher this year. In addition, the harvest begins 10 to 15 days earlier. These two factors reduce the extent of risk. The precipitation falling almost everywhere during the first 10 days of June is adequate for the first stage of crop development.

The essential thing is to bring about a radical change in the matter of aftercrops, not just as regards the size of the area sown, but above all as regards the crop structure. Bolder use must be made of drought-resistant feed crops well known in the past but subsequently forgotten: millet, Sudan grass, and sorghum, which can yield a normal harvest with one watering to bring about germination, while production from non-irrigated land is ensured if enough moisture is present in the soil. If they are planted in time, some sunflower varieties yield more biomass per decare, and on some land they may also be cultivated for grain.

The task now is to create an organization in every agroindustrial complex and in every work brigade such that cleared areas will be planted with aftercrops no later than the fourth day after the primary crop has been harvested. In addition, all the necessary care must be taken so that a normal harvest will be obtained.

#### Direct Sowing of Corn Advocated

Sofia KOOPERATIVNO SELO in Bulgarian 13 Jun 86 p 1

[Article by Fanka Angelova: "Concrete Results are the Only Criterion"]

[Text] If the harvest is a source of concern to the machine operators of Pazardzhishki District, this is because they are struggling to shorten the harvest period needed so that the planting of aftercrops can begin earlier.

Cultivation of corn for silage as an aftercrop is extremely important to livestock raising in the district. Introduction of the direct sowing technology creates good preconditions for obtaining high yields. As a matter of fact, more than half the land planted with corn in the district has been sown directly here for several years in succession.

The farm workers believe that prompt clearing of preceding grain crops from the fields and timely direct seeding with the Soviet Szs-2.1 seeders represent the prime prerequisite for application of the technology. When barley is harvested by the whole-plant method with E-280 combines, no problems whatever are encountered with direct seeding. Since the moisture content of the soil ensures germination of the seeds in 5 to 10 days, sprinkler irrigation was begun immediately during the drought. In the case of a preceding wheat crop, one of the most important measures is prompt gathering of the straw. The APK in Septemvri has had good experience with this process, in which the baling is accompanied by loading of the bales onto trailers by means of special slides attached to the straw balers. The fields are cleared even more quickly in the Pazardzhik North APK, with high-capacity trailers which carry the straw from the fields during the harvest itself.

A very suitable seeding system has been selected by the Pazardzhik North APK. The machine operators use a two-seed hitch with which they seed six rows simultaneously. There are 8,000 to 10,000 plants per decare, depending on the hybrid. A higher green fodder yield is obtained with moderately late hybrids. The seeding depth depends on the moisture content of the soil. When the soil is moist, the farmers sow to a depth of 10 centimeters, and to 3 to 5 centimeters when it is dry.

Primarily nitrogen fertilizers are applied, depending on the soil type. Phosphorus and potassium fertilizers are applied to the preceding crop, in accordance with the tabulated forms issued by the N. Pushkarov Institute.

Irrigation is in the form of sprinkling, and the irrigation rate is from 20 to 30 cubic meters per decare. After germination for 8 to 10 days, maintenance of 70 to 80 percent of the maximum normal field capacity is mandatory. Weed control is accomplished with suitable herbicides. Direct seeding enables corn to grow at a faster pace than wheat weeds. The harvest is gathered by special mechanized detachments equipped with modern silage combines.

The experience is unique. The machine operators of the district will duplicate it this year to avail themselves of the advantages open to them.

### Application of Soil Conserving Technologies

Sofia KOOPERATIVNO SELO in Bulgarian 14 Jun 86 p 1

[Article by Toma Khristov: "General Application of Soil Conserving Technologies"]

[Text] Razgrad, 13 June (by telephone). One of the most important tasks assigned by the 13th party congress in the area of agriculture was accelerated introduction of minimum cultivation and direct seeding. They are required because of their soil conserving nature and high potential for conservation of labor and energy. The new technologies are, however, being introduced at different rates in different districts of the country. Objective reasons are advanced in many places to justify slow introduction of the technologies, but a better explanation is given by lack of confidence and outmoded concepts.

These problems were brought up at the discussion held in Razgrad today. It had been organized by the Central Council of the NAPS [National Agroindustrial Union], the Agricultural Academy, and the the Union of Agricultural Scientific Associates of the Scientific and Technical Union. It was attended by the chairmen and deputy chairmen on mechanization questions of the OAPS [District Agroindustrial Union], the chairmen and deputy chairmen of APK throughout the country, scientific associates, and specialists. Angel Bobokov, first deputy director of the agricultural department of the BKP Central Committee, Aleksandur Petkov, chairman of the Central Council of the NAPS, and Boris Anastasov, first secretary of the Razgrad District Committee of the BKP participated in the discussion.

Khristo Mermerski, deputy chairman of the the Central Council of the National Agroindustrial Union, presented the basic report on new technologies and trends in soil cultivation and sowing. The problems of plant protection and provision of the materials and equipment required for application were considered in connection with the introduction of these new technologies. Scientific associates and specialists engaged in practical work shared the results of their experience. They confirmed the need for faster application in keeping with the specific conditions prevailing in the crop rotation system. It was stressed that what is needed is not simply utilization of the new technologies but full scientific introduction of the technologies as a system for conservation of the soil, which must have higher fertility when it is delivered to the coming generations.

## Corn Growing Difficulties Reviewed

Sofia KOOPERATIVNO SELO in Bulgarian 16 Jun 86 p 1

[Article by Diana Vancheva: "Today's Accomplishments Give Hope for the Future"]

[Text] What has been accomplished and who has accomplished it are perfectly obvious. And if a rating of good is to be given, it is because the farm workers exerted much effort to meet the requirements. Everything was done in accordance with the technology and the recommendations of the Corn Institute. The same applies to the varietal structure. The corn is starting to grow head high, in some places higher and in others lower. The picture is not the same everywhere, and for this reason the blame is not to be placed on the drought alone.

The effect of the weather does have to be considered, of course, but even more so what has been done and what still remains to be done. Around 15 percent of the arable land in the country is covered with weeds. This is the problem faced by farm workers in Tolbukhin. A crash program of clearing weeds by machine has been instituted in Turgovishtki District. This program has been paralleled by digging of irrigation furrows. Primary and secondary row cultivation has been completed in Rusenski District. In Velikoturnovsko more than half of the corn has been cultivated twice. The picture in Plevenski District continues to be the most varied one. In Slivensko, 80 percent of the crops are growing well. And what of the remaining crops? They have not been trimmed, another proof that planting is behind schedule.

A look at the seed-breeding plots reveals that they have been neglected, as has traditionally been the case, rather than the opposite. We can hardly rely on them to keep us from having to import seeds. Some of the crops have not germinated in Tolbukhinski District for understandable reasons, lapses in technology. The fact that all the plants have not germinated together will also probably have an impact on the harvest in Razgradski District. Until a few days ago, the hybrid corn in Velikoturnovsko was experiencing an acute shortage of moisture; 40 tons of the flexible irrigation pipes applied for had not been delivered. It is a good thing that the skies took pity on the crops.

The farm workers in Burgaski, Varnenski, Rusenski, and Turgovishtki districts have failed to provide irrigation fields for all hybrid plots, and this was mandatory. What is even worse is that the germination rate is barely 30 percent of the seeding; this is inadequate. What do the specialists and scientific associates say? The amount of seeds needed for next year can be obtained with good organization, even under poor conditions. This amount can and must be obtained.

And so we see that preparations for irrigation are again behind schedule throughout the country.

Vasil Kordovski, general director of the Water Management Kombinat, says that "the water supply is adequate for the districts which use water from the Danube. In addition to this, we are drilling wells. The organization of irrigation continues to be the weak point. If the furrowing is of poor

quality, a great amount of water will be lost. We are now registering the seed-breeding crops, and they will be given priority in irrigation."

Kapoyan Vuchkov, chief specialist in the Ministry of Agriculture and Forestry, states that "The furrowing is of poor quality in many complexes. The proper depth, 15 centimeters, is not maintained. What are we to say of the fact that there are still farm workers who have not even begun the furrowing work. What are they waiting for? Another important matter is that the moisture content of the soil must be monitored. The optimum irrigation conditions have not yet been worked out everywhere."

Another problem is a cause of concern in many districts. There is a shortage of harvesting equipment.

Gospodin Mitev, chief specialist in the Agricultural Mechanization and Maintenance Economic Trust, says "we are importing 200 more silage combines from the GDR; the orders will be filled. However, the APK which believe that the scheduled machines will not reach them can immediately sign contracts with the mechanized detachments of the Machine-Tractor Station and Erosion Control Combine."

In connection with the flexible pipelines, delivery of which is behind schedule, the Asenova Krepost Kombinat gives its assurance that the lag will be made up by the end of June. We hope it keeps its word this time.

#### Crop Maintenance Recommendations Given

Sofia KOOPERATIVNO SELO in Bulgarian 16 Jun 86 p 1

[Unsigned article: "Scientific Recommendation: How to Manage Development of Planted Crops in June"]

[Text] According to the NAPS corn task force, the basic tasks are the following.

Immediate completion of the weed control project, by use of weed killers and machine weed clearing.

Regular inspection of crops planted late to detect the appearance of diseases due to zinc and molybdenum deficiency, and conduct of treatment if necessary.

Seed-breeding crops require systematic care.

Exceptional measures are required for irrigation. Furrowing (the furrows must be at least 15 centimeters deep) and digging of temporary canals must be completed immediately, and flexible pipelines must be installed. On land with an adequate water supply, the maximum field moisture must not be allowed to drop below 80 percent, and in other areas the APK are to cooperate with the Water Management SEP to determine the optimum irrigation rates, priority being assigned to irrigation of seed-breeding crops.

A card index should be maintained of the areas in which corn is to be planted for next year. Areas covered with rootstock weeds several years old should be treated with weed killers and cultivated.

The repair of equipment used in harvesting grain corn and silage corn should be speeded up.

Corn as an aftercrop should be planted 3 to 4 days after harvesting of the primary crop. Preferably the direct seeding method should be followed.

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## DEBATE ON SOWING ON UNTILLED LAND CONTINUES

Sofia KOOPERATIVNO SELO in Bulgarian 5 Jun 86 p 2

[Article by Asparukh Dimov, Associate Professor at the V. Kolarov Higher Agricultural Institute in Plovdiv: "Why are we needlessly disturbing the land?"]

[Text] In issue 17 of KOOPERATIVNO SELO, dated January 21, 1986, we published a conversation with the American farmer, Kenneth Stonseifer. He has been raising crops without tilling the land for 15 years.

This provided the occasion for our distinguished research workers to express their opinions on questions that are particularly important for developing the technological arguments for this promising agricultural system.

Today we are publishing the point of view of Associate Professor Asparukh Dimov from the V. Kolarov Higher Agricultural Institute in Plovdiv.

Some specialists believe that traditional tilling methods should not be set against minimal methods; they may be complementary. While this may be true, it may pertain only for a fixed, transient period or under certain conditions. However, such a belief hinders the development of correct attitudes toward the opportunities provided by new trends in tilling. Theoretically, the crux of the direct sowing system to a greater or lesser extent prevents the soil from being loosened to a depth greater than the sowing depth and is totally incompatible with ploughing. However, from a practical point of view, it is supported by the experience of the American farmer, Stonseifer.

The fact is that no-one in Bulgaria today disputes the possibility that crops that require hoeing may be cultivated without hoeing and that tilling prior to sowing the spring crops may be reduced to one harrowing or eliminated altogether, that deep ploughing may be more shallow, may be done once every 4 to 5 years or may be replaced by loosening, even with a disk harrow, and that tilling prior to sowing the winter wheat crops should not go deeper than 7 to 8 cm, etc.

The latest positions with regard to the depth to which the soil is worked are today being systematically attacked by direct sowing. Brilliant and indispensable for the old agriculture, tilling is proving to be ineffective

and will continue to do so in the future. Recent complex investigations show that its contribution to production is barely 10 percent whereas its cost constitute 30 to 35 percent of the general expenses for crop cultivation. Moreover, in almost all investigations, the effect of tilling is associated with climatic conditions, which means that it is rather unreliable. If we add to that some of the negative aspects of traditional tilling methods -- destruction of the soil system, an increase in the density and firmness of the soil, a decrease in biogenicity, acceleration of erosion, etc. -- then the balance may turn out to be negative.

Just consider the question of the study and introduction of new methods in our country. "Tilling the Land" (a book by F. Todorov, B. Simeonov, A. Khristov, K. Stoynev and K. Rakov), published in 1982, provides a systematic guide to the introduction of minimal tilling and direct sowing in accordance with the soil, climatic and production conditions prevailing in our country. Within the past 2 to 3 years alone, more than 40 publications have appeared in our country on the issues of minimal cultivation and direct sowing. Discussions in the Agricultural Academy demonstrate the exceptional interest and thorough work of our scientists on these issues. Still, not all the farmers in some of the countries of Central and Western Europe are today convinced of the advantages of minimal tilling as a method of soil preparation prior to sowing winter wheat crops. Yet in Bulgaria it predominates and could, without exaggeration, be called traditional.

Unfortunately, however, the same cannot be said about minimizing primary tilling and introducing direct sowing. Some attempts, particularly the attempts at direct sowing, have been associated with methodological inadequacies which shed an unfavorable light on the variations with direct sowing and lead to erroneous conclusions and evaluations of zero cultivation as a method. One of the problems has been neglect of the adaptatation period, during which the soil (particularly soil with a large or medium metal content) acquires properties -- superficial mulch, improved structure, stable porosity, etc. -- which make it truly suitable for direct sowing. In other words, these experiments have generally finished where they should have begun. The adaptation period was discussed, among other things, in the conversation with the American farmer Stonseifer. We have gambled, and continue to gamble on these experiments without stopping to think what measures would replace the loosening effect of tilling in direct sowing variations which are most likely to produce perennial grasses and suitable crop rotation. The subject upon which we have embarked would carry all the more conviction if we included those experiments conducted with inadequate methods, including imitation of direct sowing. Obviously, zero tilling in Bulgaria requires additional scientific arguments and future experiments must be reconsidered from the theoretical and methodological points of view.

More important, why has the rate of introduction of these methods been inadequate in recent years? As a matter of fact, the problem exists not only in Bulgaria. According to information for 1982, minimal tilling in the corn belt of the USA includes only 47 percent of crop land and direct sowing only 4.6 percent. In the states of North Dakota and Montana, the percentages are even lower and fluctuate between 15 and 45 percent for minimal tilling and 0.5 to 3 percent for direct sowing. It is clear that we are inferior only

with respect to direct sowing, but even in the USA success in this respect is not striking. Returning to the reasons, some authors are making a science out of this issue. For the present, it should suffice to mention two or three essential points.

Psychological barriers and a traditional attachment to tilling are the major reasons in Bulgaria, but their effects are many. Let us consider an example. In his article, Professor K. Enikov states: "... only an ignoramus would drive a plough into a field that did not need ploughing." I would add that anyone who "drives" a direct sower into ... heavy clay soil after a long summer drought is an even greater ignoramus. We should all understand, once and for all, that direct sowing does not mean that vegetable crops are raised in soil that has a greater than optimal density, that it does not make for greater spread of weeds among crops and in the soil, that it does not allow uncontrolled spread of diseases and pests or exclude as inadmissible poor quality sowing and yields of thinly or poorly developed crops. It requires greater optimization of those indices, and this must be achieved not by soil cultivation but by other agrotechnical means. This is why this system is more difficult than the traditional system and requires greater agricultural knowledge. This leads us to the following major reason.

Those interested in the enviable achievements of the American farmer have made quite a few comparisons between conditions in the state of Maryland and here. The notable differences are objective. Of course, it would be incorrect to compare the level of an advanced American farm with the average level of our agricultural knowledge. Nevertheless, such a comparison provides a useful demonstration of our inadequate use of the possibilities offered by socialist land management. What we most sorely lack at present to improve our agricultural knowledge is a crop rotation system. To speak of rational cultivation and particularly of the introduction of minimal tillage and direct sowing without having any notion of a specific crop rotation system in which they will unfold is equivalent to compromising these methods.

However, the most critical issue is one of methods. Even those countries that have already amassed almost 40 years of practice in the construction, production, testing and introduction of machines used for direct sowing are still not satisfied with their achievements. It turns out that the latest of these machines are not sufficiently versatile or heavy-duty, and they are rather highly priced. We know that the potential for import of these machines is limited. It is clear that we must produce them ourselves. But there is strictly no room here (equipment for direct sowing, modified direct sowing, etc.) for amateurism. Our participation in this process must begin at or above the level of the latest world models. Enthusiastic attempts at direct sowing with various pieces of "home-made" equipment will only bring disappointment to the enthusiasts and give the sceptics reason to sneer. All this leads to undeserved compromise of this advanced technology.

I could enumerate a whole series of considerations with respect to the issues of minimal tillage and direct sowing but they are, like those discussed here, more or less known to the specialists. Now, we need action. In the coming days, months and years we must completely clarify certain scientific questions, bring in, test and produce the equipment for direct sowing and, at

the same time, after determining some of the issues of crop rotation and weed control, we must boldly put these progressive methods into practice. We should not be afraid that, by putting direct sowing into practice and observing basic requirements, we shall disguise the risk of yielding dramatic results. We must always bear in mind that the primary quantitative capacity in this respect is rather limited; moreover, it will be useful under the circumstances for the experiment that introduces these methods to include cultivation of what we still call intermediate crops in addition to sowing.

12907

CSO: 2200/134

## PERFORMANCE OF STATE FARMS EVALUATED

Prague HOSPODARSKE NOVINY in Czech No 21, 23 May 86 p 2

[Article by Oldrich Hovorka, CPCZ Central Committee employee: "State Farms"]

[Text] State farms are playing a large role in the development of agricultural production and in improving the self-sufficiency of our economy in food. State farms operate on more than 20 percent of all our agricultural land (almost 25 percent in the CSR and almost 15 percent in the SSR). They provide almost 14 percent of total meat production, 19 percent of total milk production, 26 percent of the grain harvest, 18 percent of total output, etc. At the same time, in the CSR particularly, more than 70 percent of these farms work agricultural land of relatively the poorest quality in the so-called potato-oat and mountain regions.

The quality of their land, the more severe climatic conditions, and the consequences of previous development, in which state farms took over large amounts of land from backward united agricultural cooperatives (JZD) in less fertile areas or border areas, or in which state farms gave consolidated land to cooperatives to improve the latter economically, have combined to create clearly less favorable conditions for the operation of state farms in comparison with other agricultural enterprises, such as JZD.

For subjective as well as objective reasons, and despite the adoption of numerous measures, the management of state farms has developed unevenly, especially in the 1975-1980 period. Because of this, CPCZ Central Committee plenums in 1979, then in 1981 and 1984, in conjunction with resolutions of the 16th CPCZ Congress, paid more attention to state farm management. These plenums outlined tasks designed to increase substantially the intensity of state farm operations and to eliminate unjustified differences in overall performance, and especially in qualitative indicators of those state farms located under comparable production conditions. Reasons for poor performance were identified and strategies for improving this performance were developed. The problems had occurred for the most part because there had been no development strategy, because land holdings had been fragmented, because production had been neither concentrated nor specialized, because of a growing lack of balance between plant and livestock production (especially in relation to the fodder base), and because of inadequate sophistication in internal enterprise

and supervisory management and organization and ineffective forms of economic incentives both individually and collectively. These all combined to yield an unstable work force, poor utilization of capital assets, including the soil stock and soil maintenance, poor production intensity, and an inability to exploit internal capacities.

A number of measures were adopted in the Seventh 5-Year Plan to improve the management sophistication of state farms. There were bilateral transfers of land between state farms and cooperatives totalling more than 350,000 hectares. Objectives were met in the development of special-purpose biological service organizations for state farms. The adjustment to economic mechanisms of 1982 yielded some Kcs 1.4 billion in resources for the use of state farms. The application of the labor force stabilization fund was made more flexible, an agricultural intensification fund was set up, and other measures were taken.

These measures brought positive results in a relatively short time. The growth rate of plant production increased, which improved the fodder base of the state farms. Their costs of production declined, which was reflected, along with adjustments to economic mechanisms, in a shift by state farms from continuing losses to a position of profitability and increasing returns on investment. Nevertheless, as recent inspections by the CSR People's Control Commission indicated, everything is far from in order regarding the fulfillment of the basic objective--increasing managerial efficiency and eliminating unjustified differences in performance.

An essential part of the measures taken at the start of the Seventh 5-Year Plan was the task of formulating programs consisting of specific, timed, and verifiable objectives that would lead to increased efficiency for agricultural production at least in the case of average enterprises. An analysis identified 66 state farms in the Czech lands (more than two-thirds of the total) with low or below-average managerial sophistication, for which was developed the above mentioned intensification program. In Slovakia some 60 state farms, or more than 60 percent of the total, were chosen for this program. These programs have become the basis for gradual improvements in machinery, a strengthening of financial resources, the acquisition of apartments and the recruitment of a work force. Nevertheless the established objectives have been only partly realized and there has been no substantial improvement in the managerial performance at most of the state farms with the most serious difficulties.

An inspection of 17 state farms indicated that the existing efficiency-enhancing programs differed in their complexity and rigorousness. A number of measures had been established only as a formality and were being implemented very passively as well. In many instances directors of kraj and okres agricultural administrations, which are directly responsible for state farm operations, had not even set specific tasks or the strategies by which production efficiency was to be enhanced during the Seventh 5-Year Plan. It is logical that under such conditions the affected state farms, despite frequent financial assistance from the state, would continue to find themselves among the enterprises with the worst performance records.

On the basis of these intensification programs preference was given to state farms during the Seventh 5-Year Plan in deliveries of agricultural equipment. This improved their equipment and facilities base and therefore their potential for better utilizing their soil stock. The inspection also indicated, however, that the increased availability of equipment was not always accompanied by a correspondingly increased commitment to the upkeep of this equipment. There is a lack of reinforced and roofed storage facilities for it, or the equipment has been kept in areas used for other purposes. There is frequently a lack either of appropriate repair facilities and/or qualified repairmen.

In more than one of the inspected enterprises and their supervisory agencies there had been no change in attitudes to public financial resources, and mainly to subsidies from the newly created efficiency-enhancement fund. It was not unusual for these funds to show up not in increased efficiency of agricultural production, but rather in financial management as one of the resources for improving economic performance. In these cases the public resources that have been expended have not been used for the proper purpose. In the Central Bohemian Kraj, for instance, where more than Kcs 300 million was allocated for improving production efficiency in 1982-1984, out of 20 state farms with below average management records only 43 were able to use these funds successfully to meet the objective for the critical indicator, actual agricultural production.

One should not make indiscriminate generalizations from the results of this series of inspections by the CSR People's Control Commission. They do, however, underline the necessity for changing the attitudes and, especially, the operating methods of responsible managers. This concerns, after all, one of the most significant objectives of economic policy--accelerating development by increasing the intensity and efficiency of utilization of everything we have available to us.

9276/9312  
CSO: 2400/328

AGRICULTURE

ERRATUM: In JPRS-EER-86-091 of 20 June 1986  
the following tables were inadvertently  
omitted from this article

YUGOSLAVIA

ERRATUM: WHEAT PRODUCTION, CONSUMPTION IN SERBIA, SFRY TO 2000

Belgrade EKONOMIKA POLJOPRIVREDE in Serbo-Croatian No 11-12, Nov-Dec 85  
pp 808-822

[Excerpt]

Table 48. Projected Per-Capita Consumption of Wheat Flour in the SFRY and the SR of Serbia

(kilograms annually)

Area	Projected Consumption		
	Consumption 1980	1985	2000
SFRJ	151	145	126
SR Serbia	157	150	131
--Serbia, not including the autonomous provinces	156	148	126
--SAP Kosovo	180	178	167
--SAP Vojvodina	142	135	114

Table 49. Projection of Total Consumption of Wheat Flour in the Food of the Population in the SFRY and the SR of Serbia

(in thousand tons)

Area	Projected Consumption		
	Consumption 1980	1985	2000
SFRJ	3.372	3.369	3.232
SR Serbia	1.440	1.451	1.427
--Serbia, not including the autonomous provinces	869	874	827
--SAP Kosovo	285	284	327
--SAP Vojvodina	286	293	273

Table 50. Projection of Total Wheat Needs in the SFRY and in the SR of Serbia

(thousand tons)

<u>Area</u>	<u>Projection of Needs</u>			2000 <u>1980</u>	Rate of Decline (or Increase)
	<u>Needs 1980</u>	<u>1985</u>	<u>2000</u>		
SFRJ	5.247	5.148	4.812	91,71	-0,4
SR Serbia	2.341	2.316	2.260	96,54	-0,2
--Serbia, not including the autonomous provinces	1.367	1.354	1.262	92,32	-0,4
--SAP Kosovo	423	429	470	111,11	+0,6
--SAP Vojvodina	551	535	528	95,83	-0,2

Table 51. Total Wheat Needs in 1980 in the SFRY and the SR of Serbia

(thousand tons)

<u>Area</u>	<u>Food of the Population</u>	<u>Seed</u>	<u>Animal Feed and Losses in the Process of Harvesting</u>	<u>Total Needs</u>
			<u>of Harvesting</u>	
SFRJ	4.552	380	315	5.247
SR Serbia	1.935	222	184	2.341
--Serbia, not including the autonomous provinces	1.166	110	91	1.367
--SAP Kosovo	383	22	18	423
--SAP Vojvodina	386	90	75	551

/9716

CSO: 2800/219

**POWER CONSUMPTION DURING 1955-1985 PERIOD EXAMINED**

Sofia ENERGETIKA in Bulgarian No 2, 1986 pp 20-25

[Article by Engr Sheli Benatova: "Electricity Consumption in the Nation in the 1955-1985 Period"]

[Text] At the present stage power is one of the main sectors of the economy and to a significant degree determines the development of any country. It is the measure of the achieved standard of living. Power consumption is the basis and the condition for creating national product. Analysis shows that the underdeveloped countries annually consume below 1 ton of standard fuel units [sfu] per inhabitant and under 500 kwh per inhabitant while in the developed countries it is over 3 tons of sfu and around or over 3,000 kwh per inhabitant.

During the 5 years of 1955-1960, Bulgaria crossed the boundary from an underdeveloped country and has moved along the path of building a developed socialist society with high and steady rates. Energy consumption has risen from 0.97 of a ton of sfu in 1955 to 1.43 ton sfu per inhabitant in 1960 while electric power consumption has risen, respectively, from 281 to 596 kwh per inhabitant (Table 1).

Over the first 10 years of the designated period of 1955-1966, the average annual increase of electric consumption was 17 percent, and over the 1965-1970 period 13.7 percent, after which the increases gradually declined to 3.5 percent in the last 5-year period. The conditionally accepted boundary consumption of power and electric power for a developed country was reached by Bulgaria in 1970 with 3.15 tons of sfu per inhabitant and in 1974 with 3,100 kwh per inhabitant.

In 1984, gross electric consumption per inhabitant was 5,250 kwh and in 1985, 5,120 kwh per inhabitant. For determining the specific consumption we have employed data for the average annual population of the country published in the 1985 statistical annual and not the data from the last census which are still not final.

The quantity of consumed energy is a condition for a developed economy but not the measure of its efficiency. This can be judged from national income obtained from the consumption of a unit of energy. The effect from the

consumption of energy is influenced by the type and quality of the resources, the share of fuels consumed directly or used for conversion, the degree of electrification of the energy balance, by the economic structure, the climate, the population density, the employed production methods and so forth. Energy under various forms enters into the cost of any product.

Table 1

Consumption of Electric Power and Maximum Load in Power System

-----Gross Electric Power Consumption-----				
Year	Average annual increase over 5 years, %	kwh/inhabitant	Maximum load, megawatts	
	Million kwh			
1955	2,106	20.8	281	346
1960	4,685	17.3	596	808
1965	10,232	16.9	1,246	1,591
1970	19,407	13.7	2,286	3,295
1975	28,860	8.8	3,320	5,000
1980	38,607	6.0	4,360	6,922
1981	40,375	4.4*	4,540	7,169
1982	43,104	6.8*	4,834	7,393
1983	45,010	4.4*	5,030	7,805
1984	47,071	4.6*	5,250	7,973
1985	45,922	-2.5*	5,120	8,024
		3.5		

\*Annual increase.

The growth of national income, total energy consumption and the consumption of electric power can be traced by indices with 1957 accepted as the base (Fig. 1). An analysis of the data shows a constant rise in national income, increasing by 6.9-fold over the 1957-1985 period. Prior to 1975, the increase in total energy consumption was proportional to the growth of national income, while after this, as a result of the national program for saving fuel and energy and the substantial structural changes in the overall energy balance, the rates were lower and in 1985 it had increased by 5.3-fold in comparison with 1957.

In the same period, electric consumption rose at a much higher rate and in 1984 was 17.6-fold higher than in 1957. In 1985 alone out of the entire designated period a negative increase was noted of 2.5 percent, but the data for this year will be examined more thoroughly.

The more rapid growth of electric consumption in comparison with overall power consumption is also illustrated by the increase in the coefficient of electrification (Fig. 2) which rose from 288 kwh per ton of sfu in 1955 to over 1,000 in 1984.

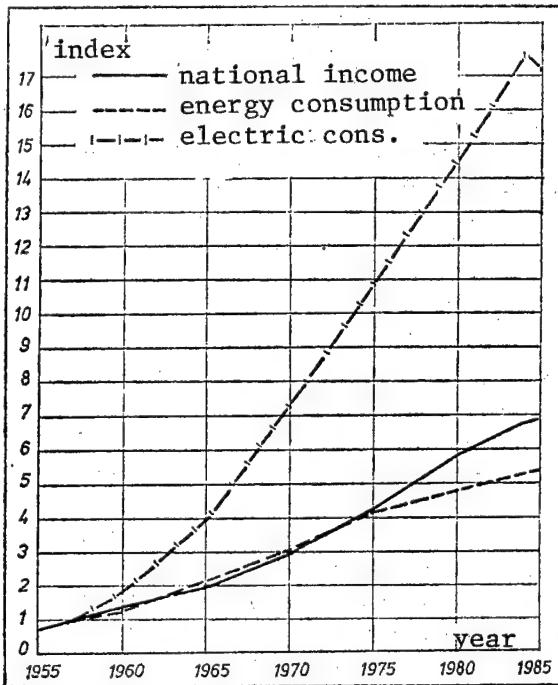


Fig. 1. Indices of National Income, Total Energy Consumption and Electricity Consumption With a Base of 1957

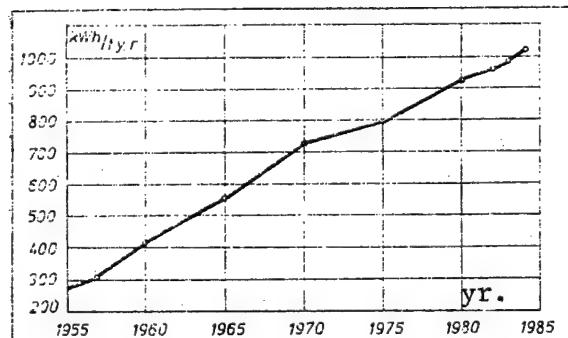


Fig. 2. Coefficient of Electrification

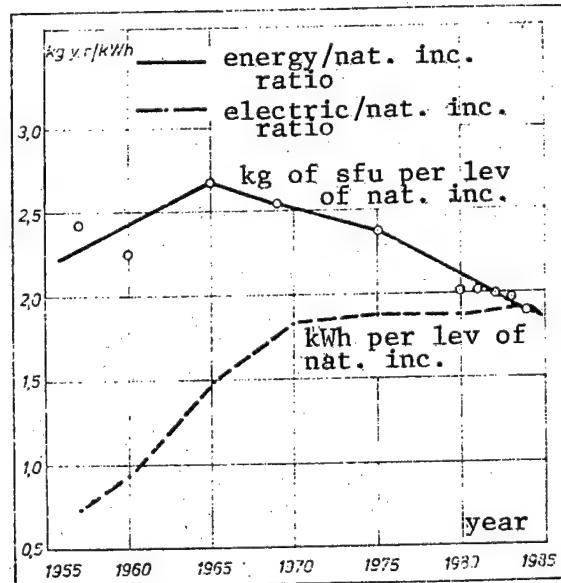


Fig. 3. Rate of Power and Electric Utilization per Unit of National Income in 1970 Prices

The consumption of power and electricity for creating a unit of national income in 1970 prices can be traced in Fig. 3. Several stages are characteristic of these indicators. For the period up to 1975, power consumption per lev of national income was around 2.5 kg of sfu, after which it fell to 2 in 1980 and under 1.9 in the last 2 years. Prior to 1970, the consumption of electric power per lev of national income increased constantly from 0.74 kwh in 1957 to 1.84 in 1970, after which the changes were smaller and this did not exceed 1.93 kwh per lev of national income.

Gross electric power consumption in the main economic sectors and the utility-household sector is characterized by relative and absolute increases. Over the 1955-1984 period, this rose by 22.4 times, effective consumption (minus the losses in the power networks and the in-house needs of the plants) by 23.4-fold, in industry by 19.3, in industry along with other consumers by 20.4, in construction by 20.2, in agriculture and forestry by 17.1, in transport and communications by 25.9, and in the utility-household sector by 32.7; the population was provided with 45.8-fold more electric power (Table 2).

Table 2

Electric Power Consumption by Sectors, million kwh

Sector	Years							
	1955	1960	1965	1970	1975	1980	1982	1984
Total consumption in nation	2106	4685	10232	19407	28860	38667	43105	47071
In-house needs of plants	166	317	1047	2190	2991	3632	4190	4661
Losses in electric networks	312	6378	786	1448	2276	3454	3888	4301
Effective consumption	1628	3731	839	15769	23593	31581	35027	38109
Including:								
Industry	1055	2491	5555	10735	14305	17502	19202	20375
Construction	61	74	135	236	425	932	938	1233
Agriculture and forestry	70	164	455	675	955	1115	1139	1197
Transport and communications	52	96	253	483	806	1111	1259	1347
Utility-household sector	390	906	2001	3333	6470	10256	11631	12767
Including: Population	206	530	1180	2468	4588	6844	8105	9444
Street lighting	12	33	44	130	245	387	437	381

Regardless of the declining rates, the most characteristic pattern of overall electric consumption over the last 20 years, with the exception of 1985, has been the steadiness of the absolute annual increase amounting to around 1.9 billion kwh.

Consumption of electric power in the industrial sectors is characterized by the same patterns. Greater than average growth can be found in ferrous metallurgy, machine building and metalworking and the chemical industry (Table 3).

Table 3

## Electric Power Consumption in Industrial Sectors, million kwh

Sector	Years							
	1955	1960	1965	1970	1975	1980	1982	1984
Fuel industry	81	146	410	1192	1605	1729	2042	2310
Ferrous metallurgy	28	115	442	1520	2104	2325	2487	2845
Nonferrous metallurgy	165	437	977	1257	1360	1474	1772	1869
Machine building and metalworking	112	326	537	920	1478	2138	2333	2512
Chemical industry	214	504	1461	2857	3654	4337	4753	5011
Materials	97	219	443	671	897	1140	1188	1262
Lumber and pulp-paper industry	77	124	325	481	740	884	937	980
Textile industry	135	253	355	515	619	769	777	805
Food industry	86	212	421	669	864	1197	1411	1425
Others*	60	155	184	653	984	1509	1502	1356
Total industry	1055	2491	5555	10735	14305	17502	19202	20375

\* "Others" includes the following sectors: electric power and thermal energy, glass and porcelain, garment, footwear and leather-fur, printing, local and cooperative industry, each of which had a consumption under 500 million kwh in 1984.

Prior to 1966, industry developed rapidly. The rapid increase in electric consumption in all sectors outstripped the growth rate of the power plants and power restrictions were often required in the power system. The periods of 1966-1973 and 1975-1984 were characterized by normal electric supply with insignificant partial restrictions only on individual days of the year. In 1973 and 1974, the capacity shortage was significant and the restrictions reached up to 500 megawatts (around 10 percent of the maximum load). A staggered work week was introduced in various sectors. After the completion of capacity at the Kozloduy AETs [nuclear power plant] and later capacity at other plants, electric supply was normalized.

During the 1960's, a world energy crisis developed and this has now involved the entire world. Many countries have frequently experienced a shortage of electric power and fuel. Various restrictions have been introduced, both technical and economic. During this period, due to the prompt completion of capacity, the long-term agreements for fuel deliveries, the presence of reserve capacity and comparatively good operation, Bulgaria has not felt a shortage of electric power. There were disturbances only on several days in the year with bad natural conditions or emergencies.

At the end of 1984 and in all of 1985, normal electric supply for the nation was disrupted. The restrictions during certain months exceeded 1,000-1,500 megawatts. The reasons are known and are not examined in detail here, except

for the more important of them which have had a lasting influence on normal power supply. These have been: a slowdown in the completion of new capacity, physical wear and obsolescence of a large amount of energy equipment and certain operating factors combined with the difficult natural conditions. Aside from these factors, the heating of housing, public and production buildings and trade facilities plays a crucial role for power supply.

The analysis made of the electric loads and electric consumption over the last 20 years shows a significant change in the nature of the annual load diagram of the electric power system, chiefly as a result of the increased share of electric power consumed for heating.

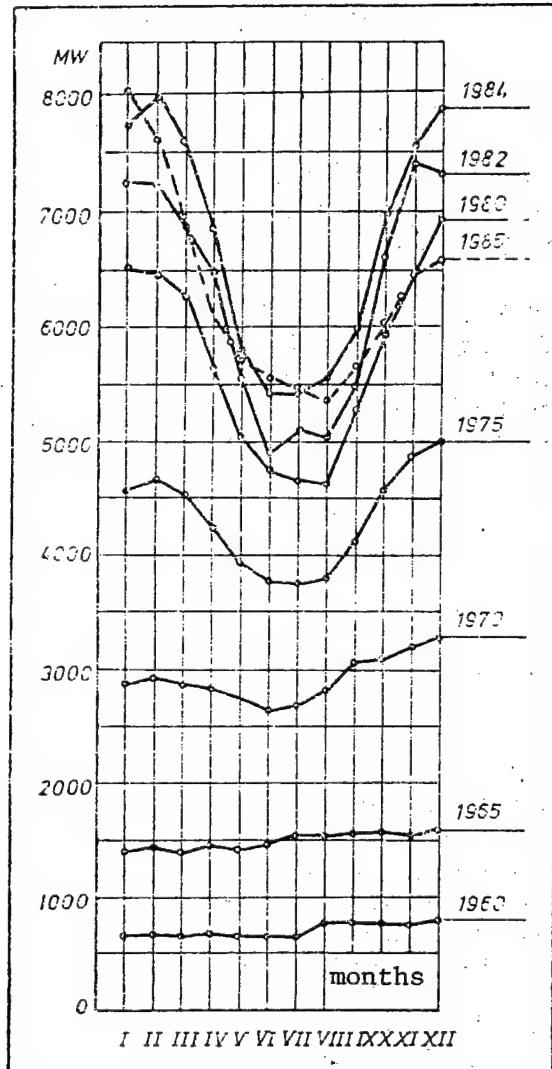


Fig. 4. Maximum Monthly Loads

In the 1960's, oil was the most widely consumed heating fuel both in residences as well as in enterprises and institutions. In 1970, certain partial limitations were imposed on the use of oil-fired furnaces in the public sector. In subsequent years, these limitations were broadened and after two increases in the price of oil, it was largely replaced by electric power. This has led to a constant rise in the winter loads and a decline in the relative share of the summer ones. Prior to 1969, the summer loads were equal or greater than the preceding winter ones but after this the reverse pattern was observed. In 1970, the lowest summer maximum load was 80 percent of the maximum winter one, in 1975, it was 75 percent and in 1983, only 65 percent. (In 1984 and 1985, it was 67-68 percent; see Fig. 4.)

This phenomenon which is specific to our electric power system has created exceptional strain in covering the maximum winter loads.

Electric power is measured by consumers and not according to purpose and for this reason the quantities used for heating are determined theoretically and are of an approximate nature. But they are sufficiently accurate for the conclusions which are drawn. Theoretical calculations show that while prior to 1970 around 200 million kwh was consumed for heating and this was 1 percent of the total annual consumption, in 1975, the figures were 1.6 billion kwh or 5.6 percent, in 1980, around 4 billion or

10.3 percent, in 1982, 4.6 billion or 10.7 percent and in 1984, over 5 billion or around 11 percent. While electric power for heating is 10-11 percent of annual consumption, during the winter season its share doubles and in the cold winter months and days exceeds 30 percent. The figures are analogous also for loads and on-line capacity. Consequently, of the total maximum load in the 1984-1985 winter season of around 8,000 megawatts, 30 percent or 2,400 megawatts was the heating load.

The power system operates depending upon a random consumer who is influenced solely by the vicissitudes of the weather. A cold snap of 10 degrees can raise the load by 300-500 megawatts in a 24-hour period. The summer drop in the loads in other countries of the OES [Unified Power System] does not exceed 15-20 percent while in our country it reaches 35 percent. In addition in the other countries there are high-grade coals, natural or fuel gas and liquid fuels for heating, or the share of centralized heating is greater.

Our country does not possess high-grade coal for the needs of the utility-household sector, natural gas is made available completely for industry, oil is limited and its price has risen significantly while only 12.5 percent of the population has centralized heating. With this situation the population and the public secercent of the population has centralized heating. With this situation the population and the public seche way out of this situation?

All scientific forecasts on the questions of utility and household power in which heating plays the main role indicate that the most economic structure of heating sources is not a structure with a predominant share of electric power but rather one where all available sources are accessible the degree of centralized heat supply is increased but also a significant amount of oil is supplied annually at prices lower than the corresponding energy equivalent of electric power and equal to the price of thermal power. The use of economic levers without providing high-quality fuels does not solve the question and places citizens without centralized heating in a socially unequal position.

This is the way for solving the heating problem and this determines both normal electric supply as well as the fulfillment of the program for the standard of living.

In 1985, electric consumption was 45.9 billion kwh or 1.16 billion less than 1984. The restrictions and load limits occurred during the entire year. In spite of the disruption of electric supply in the entire production sphere, national income rose by 1.8 percent, social labor productivity by 2 percent, while the produced commodity product in machine building rose by 12.3 percent, in chemistry by 3.4 percent, in transport by 2 percent, in the NAPS [national agroindustrial union] by 2 percent while production and trade of consumer goods rose by 3 percent.

These data indicate that in electric consumption in all spheres there are reserves in the area of more rational utilization and that the presence of sufficient electric power in the last decade has led to waste which has still not been eliminated.

The installed production capacity in the nation by the end of 1985 reached 10,240 megawatts. Of this amount, 17.2 percent came from AETs, 19.3 from VETs [hydropower plant] and 63.5 percent from TETs [thermal power plant], including 10 percent from TETs fired by gas and mazut just in the central heating plants for the combined production of electric and thermal power, 19.5 percent in plants fired with imported coal and 34 percent in plants operating on local coal (Fig. 5).

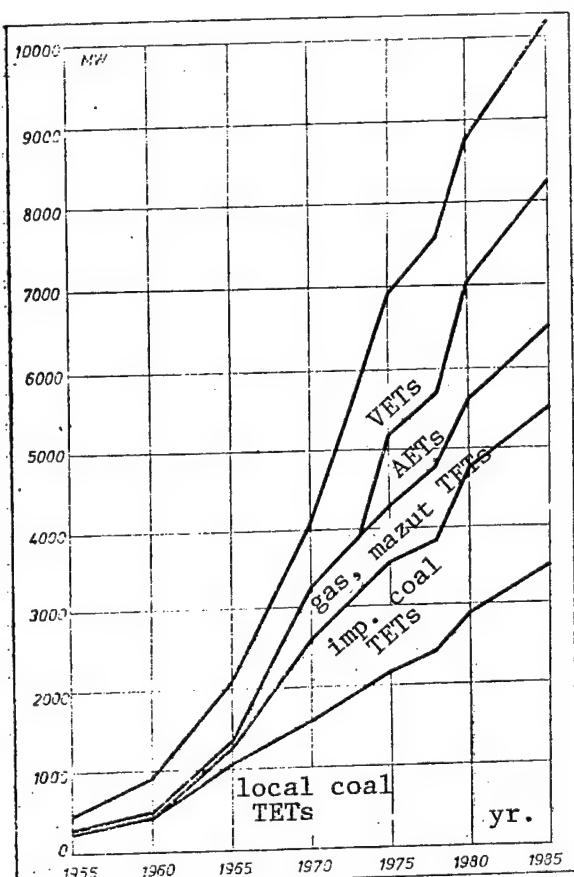


Fig. 5. Installed Capacity

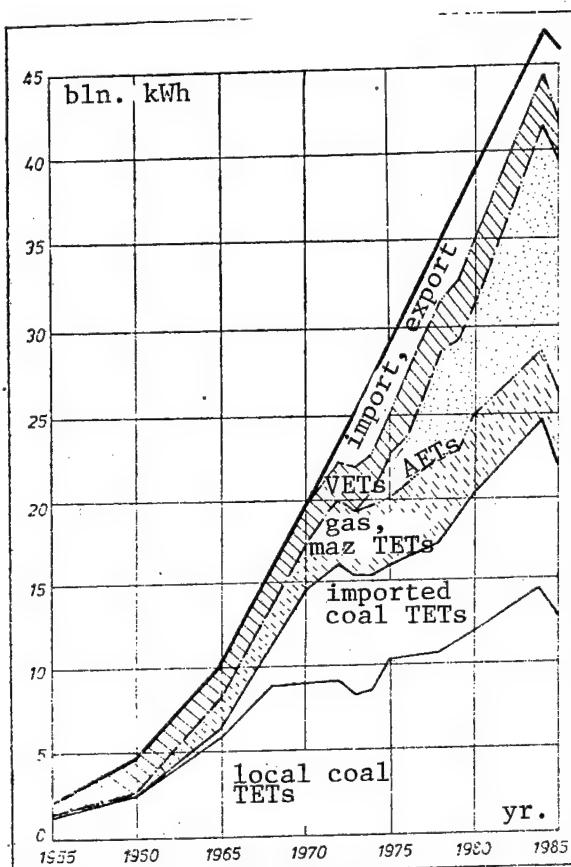


Fig. 6. Production and Consumption of Electric Power

During the examined period structural and qualitative changes have occurred. From 1960, the first capacity went into operation at the Maritsa-Iztok Complex, as of 1964, capacity operating on imported coal and from 1974, capacity at the Kozloduy AETs. After 1960, when the share of the VETs was 50 percent, a decline began in their proportional participation and by 1970 this had stabilized at around 20 percent. This was due both to the depletion of efficient hydropower resources as well as to the reduction in the peak portion of the loads due to the increase in the main and subpeak loads.

The introduction of new capacity has been characterized by the increased size of the units and the greater capacity of the plants as well as by the introduction of new, more advanced technologies and technical designs.

The production of electric power has grown at an analogous pace with consumption, while structural changes have followed the course of the change in capacity (Table 4).

Since 1971, a significant portion, up to 10 percent, of consumption has been satisfied by imports. From 1975, the power system has also exported 2-3 percent of the nation's consumption. In 1985, the Kozloduy AETs provided 31.6 percent of the total production in the nation. Because of the drought, the hydropower plants have provided only 5.4 percent, in producing 2,236,000,000 kwh which is 60 percent of the largest production realized hitherto in 1980 of 3,713,000,000 kwh. The thermal power plants provide 63 percent, respectively, 31 percent using local coals, 22.6 with imported and 9.4 with gas and mazut (Fig. 6).

Table 4

Production of Electric Power, million kwh

-----Thermal Power Plants-----

Year	Local Coal	Imported Coal	Gas and Mazut	Total TETs	VETs	AETs	Total for Nation
1955	1386	--	39	1425	648	--	2073
1960	2575	--	193	2768	1889	--	4657
1965	5959	665	1619	8243	2005	--	10248
1970	9049	5563	2745	17357	2158	--	19515
1975	10457	5709	4064	20230	2453	2554	25237
1980	11740	8017	5200	24957	2713	6165	34835
1981	11200	8180	4855	24235	3618	9119	36972
1982	12350	9314	5000	26664	3049	10745	40458
1983	13710	9462	3780	26952	3351	12318	42621
1984	14460	10370	3852	28682	3260	12735	44677
1985	12890	9400	3964	26254	2236	13131	41621

The plants in the Maritsa-Iztok plants produced 20 percent of the total production and 65 percent of this at the TETs fired by local coals. In recent years, six power plants (three from the Maritsa-Iztok Complex, the Bobov Dol TETs, the Varna TETs and the AETs, have produced around 75 percent of the total production. Around 10 percent has been provided by the central heating plants under the Ministry of Power and the same amount at industrial plant installations.

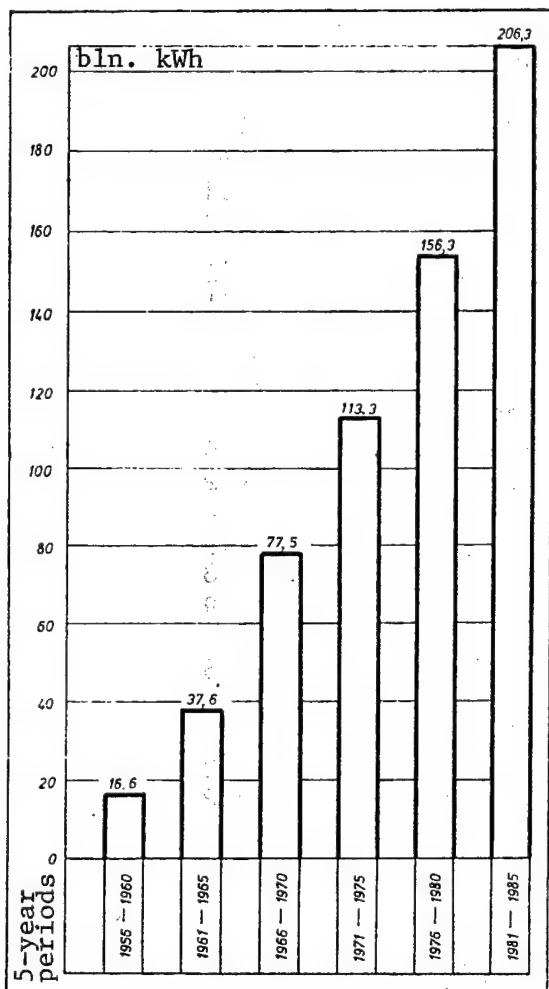


Fig. 7. Total Electric Production by 5-Year Periods

Total production in the nation by 5-year periods is shown in Fig. 7. Over the 3 decades, 607.6 billion kwh have been produced, with 206.3 billion in the last 5-year period alone. From the beginning of its operation in 1974 until the end of 1985, the AETs has produced 90.66 billion kwh, including 58,048,000,000 in the last 5-year period and this was 28.1 percent of the total production in the nation.

Certain data concerning electric consumption and electric production in the European countries, according to the materials of the UN Economic Commission for Europe, have been systematized in Table 5. Electric consumption per inhabitant is determined for net production after subtracting the in-house needs of the power plants. Bulgaria with 4,733 kwh per inhabitant (with a gross of 5,250 kwh) is higher than average for Europe and is in the group of Austria, Belgium, France, Denmark, the USSR, the CSSR, Great Britain and Holland which are within the limits of from 5,165 to 4,430 kwh per inhabitant.

In the 16 European nations there are nuclear plants which produce 16.7 percent of the total net European production of electric power. France has the highest share of nuclear power with 58.7 percent, followed by Belgium with 50.8 percent, Finland with 41.1 percent, Sweden with 40.3 percent and Switzerland with 35.4 percent. Bulgaria with a share of 29.4 percent for net production and 28.6 percent for gross is in sixth place.

Table 5

## Data for European Nations and World Average for 1984

Country	Consumption, kwh/inhabitant, minus in-house needs of plants	Net production, GWh	Share of AETs of total net production, %
Norway	23381	105646	--
Iceland	16188	3885	--
Sweden	14410	120597	40.3
Luxembourg	10494	864	--
Finland	9942	43311	41.1
Switzerland	6726	49152	35.4
FRG	6095	371362	23.6
GDR	5937	98781	10.7
Austria	5165	42382	--
Belgium	5151	51850	50.8
France	5138	309758	58.7
Denmark	5103	21185	--
USSR	4990	1392762	9.5
Czechoslovakia	4876	72652	9.2
Bulgaria	4733	40016	29.4
Great Britain	4631	264220	17.9
Netherlands	4430	60400	5.8
Italy	3335	173440	3.9
Poland	3275	24124	--
Hungary	3223	24124	14.6
Romania	2984	73000	--
Ireland	2961	11036	--
Spain	2935	119786	19.3
Yugoslavia	2872	68141	6.2
Greece	2589	23070	--
Portugal	1969	19367	--
Malta	1803	685	--
Cyprus	1800	1188	--
Albania	750*	• • •	--
Turkey	650	28725	--
Average for Europe	4500		16.7
Average for Europe without USSR	4300		21.3
World Average	1885		

\*Estimate.

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CSO: 2200/109

**CAPITAL INVESTMENT PLAN 1986 ANNOUNCED**

Prague INVESTICNI VYSTAVBA IN Czech No 2, 1986 pp 35-38

[Article by Eng Dezider Vasak: "The Capital Investment Plan for 1986"]

[Text] The capital investment plan for 1986 was drawn up based on the overall strategy for the Eighth 5-Year Plan. As such its objectives are to facilitate a gradual change in the targeting of investments in the direction of the most important priorities of national economic development, and to contribute to the intensification of the capital replacement process. Investments generally, and overall capital asset replacement for the Eighth 5-Year Plan are pursuing the following main objectives;

--assuring that investments and the overall capital replacement process are as efficient as possible;

--seeing to it that existing facilities are utilized fully and modernized when feasible;

--facilitating needed structural changes at the internal sectoral and inter-sectoral levels;

--the effective administration of state priority programs (SCP) and R&D applications;

--providing key facilities for the infrastructure, the social program, and for environmental protection;

--reducing the large amount of noncompleted construction and creating the conditions for completing construction projects within established schedules.

The investment plan for 1986 may be considered the beginning of accelerated changes in the implementation of the strategy of the Eighth 5-Year Plan. Positive trends are already evident in the allocation of investment resources, especially for machinery and equipment not included in the construction budget [SZN], and in part also in the figures for industrial construction project start-ups, which have been reduced in conjunction with efforts to increase the percentage of modernization and reconstruction projects. The fuel and

power conservation program is meeting with considerable success, and investment projects related to the practical application of the results of the state R&D program are also proceeding more satisfactorily. We are devoting considerable attention to investments aimed at improving the environment. It must be stated however, that at present neither direct nor central investors are applying enough pressure for conceptual clarity, design preparation, or on documenting efficiency calculations for these progressive types of investment projects.

One of the basic problems in preparing the 1986 plan was the formulation of an appropriate level for construction starts and related targets for reducing the excessive level of uncompleted projects.

Concentrated pressure from investors for the beginning of new construction projects has forced us to postpone for now the possibility of dealing with the problem of uncompleted projects until the end of the Eighth 5-Year Plan, or into the next plan.

When negotiating supply contracts priority has been given to those facilities and projects slated for completion in 1986 and the remaining years of the Eighth 5-Year Plan, and in particular production facilities needed to fulfill the production targets for the Eighth 5-Year Plan.

In the area of capital asset replacement efforts will be made to speed up the retirement of fixed machinery assets, particularly at obsolete production facilities, to better utilize existing capital assets, to bring the capital stock at recently completed facilities up to its design parameters more rapidly than is now the case and, by the better utilization of modern facilities, make a contribution to reducing the capital intensiveness of production in industry, construction and agriculture.

#### Scope of Investment in 1986

In conjunction with the accepted strategy for the Eighth 5-Year Plan and to increase the efficiency of capital investment and the entire capital replacement process, the 1986 plan projects a moderate decline in the level of investment as a percentage of consumed national income, from 27.8 percent in 1985 (expected figure) to 26.6 percent in 1986. The determining factor here is limited construction resources. This means that even if production and deliveries for investment projects increase more rapidly than planned (from the general engineering and electrotechnical sectors) and imports increase as well, we will be able to expect only a small increase in the total volume of investments in 1986 (Table 1).

Table I

<u>Indicator--in billion Kcs in 1986 prices</u>	<u>1985 Expected</u>	<u>1986 Planned</u>	<u>Index</u>
Total investment volume	165.6	167.1	100.9
--construction work	98.2	91.9	93.6
--machinery and equipment	67.4	75.2	111.5
Investments by category			
--total at regulated projects including: machinery and equipment	84.5	82.7	97.8
--SZNR	19.1	21.3	111.5
--comprehensive apartment construction and Project Z	48.3	54.0	111.8
	32.8	30.4	92.7
Reserve (of total)	2.2	6.0	272.7

It must, however, be stated that the 1986 plan represents an increase in planned investment volume over the levels in the 1985 plan of 3.6 percent. It is expected that planned investment volumes for 1985 will be exceeded by Kcs 4-5 billion, almost Kcs 4 billion of which will come from agriculture.

Overall higher deliveries of machinery and equipment will make it possible to implement a significant structural change in investments for improving modernization and reconstruction, which will in turn increase the utilization rate of the capital stock (Table II).

Table II

	<u>1985 Expected</u>	<u>1986 Plan</u>	<u>Index</u>
Machinery and equipment as percentage of total investments	40.7	45.0	110.6
Machinery and equipment as percentage of construction projects	22.6	26.8	114.2

The 1986 investment plan provides for the creation of work volumes and delivery reserves, in order to cover foreign currency repayable loans, for the material coverage of resources generated by financial and economic mechanisms in foreign trade (KCS 1.5 billion), to cover additional modernization projects as dictated by calculations of necessity and overall efficiency for the national economy, to provide additional production, especially for export, to improve supplies to the domestic market, etc. Some of these reserves will be used to retrofit the construction sector to meet its export tasks.

Plans are to use these reserves mainly to support the development of the technologically advanced sectors of heavy and general engineering and electro-technology, the development of specialty chemical programs, the modernization of selected sectors of the consumer goods and foodstuff industries.

#### Structure of Investments--Increasing the Share of Progressive Investment Projects

In an environment when only small annual increases in investment volume can be expected great demands are placed on optimizing the structure of investments. The future will see a further moderate increase in the importance of the production sphere for the allocation of investment resources. This follows on the implementation of a number of investment intensive programs in the Seventh 5-Year Plan, especially in industry. In addition to a gradual increase in the amount of work and deliveries performed at nuclear power plants, further improvements will also be made in the heat generation division of the fuel and power sector. This will involve contributions from other participating sectors and branches according to the construction contracts for the projects in question. Progress continues in fuel and power conservation, with the objective of conserving 3 million tons of standard fuel annually. A total of Kcs 2.5 billion will be invested in 1986 on state priority program 02. The greatest increase in investment in the engineering sectors will be in the electrotechnical industry. All engineering sectors and other sectors of processing industries will be expected to use greater initiative in drawing on foreign currency repayable loans (within the context of central reserves). Access to new reserves will be tied to incentives for foreign trade performance and for supplementary, single purpose machines. Within the industrial ministries the share of investment resources allocated to the chemical industry will increase, especially in relation to the implementation of state priority program 09 for selected chemical products, at the same time that there will be a small decline in investments in the timber processing and light industrial sectors.

Tables IIIa and IIIb show the structure of investments for industry and the national economy as a whole.

Table IIIa

	<u>1985 Plan (%)</u>	<u>1985 Expected (%)</u>	<u>1986 Plan (%)</u>
Industry total (excluding reserves)	100.0	100.0	100.0
composed of:			
fuel and power	35.9	34.0	34.6
including nuclear power	9.8	8.4	8.2
metallurgy and ores	6.6	6.6	6.1
heavy engineering	8.2	7.9	7.1
general engineering	12.6	12.8	12.7
electrotechnical industry	5.8	5.8	6.5
chemical industry	6.0	6.6	8.4
timber processing industry	3.6	4.0	3.3
light industry	8.0	8.3	7.7
foodstuff industry	8.2	9.0	8.7

Table IIIb

	<u>1985 Plan (%)</u>	<u>1985 Expected (%)</u>	<u>1986 Plan (%)</u>
National economy total	100.0	100.0	100.0
composed of:			
industry	35.8	35.2	34.7
construction output	2.1	2.0	2.1
agriculture	12.0	13.3	11.6
production sphere reserves	1.4	1.3	4.0
production sphere total	64.2	64.5	66.1
nonproduction sphere	35.8	35.5	33.9

The investment volume reserve for 1986 of Kcs 6 billion (4 percent of total investment) is allocated by this program to the production sphere. In addition to funding the equipping of the construction industry to export construction facilities it will be used primarily for investments in industry. This means that industrial investments as a percentage of total investments should be 37-38 percent in 1986.

Allocating the available reserves to specific sectors will increase the shares of overall investment of the following sectors: engineering and the electro-technical industry, the chemical, light, wood processing and, partially, the foodstuff industry.

The percentage of all projects devoted to modernization and reconstruction may be monitored by the SZNR figure. For 1986 some 75-80 percent of all projects will be concerned with modernization and reconstruction in the industrial sectors (excluding fuel and power). Of this total some 45 percent is accounted for by modernization, which makes greater contributions to efficiency and to conservation.

#### Noncompleted Construction and Construction Starts

One of the basic objectives for the Eighth 5-Year Plan is to reduce noncompleted construction to a level that will make it possible to complete projects within the planned construction schedule for that project. This will make it possible to put facilities into operation and to complete construction projects within deadlines not only for important projects but also for centralized projects, other projects, and for comprehensive housing construction. To fulfill this objective we must reduce outstanding balances in the budgeted cost accounts (RN) for projects, reduce the number of projects that are not completed, and shorten the average construction period over the course of the Eighth 5-Year Plan by 15-25 percent.

The directives for the draft of the Eighth 5-Year Plan provided for a reduction in noncompleted projects by limiting new construction starts to a volume

of Kcs 70 billion annually. We must state that the greatest problems and pressures are focused on construction starts. Because a number of projects require investments in new areas, the results of which in production, exports, etc. should be available before the end of the Eighth 5-Year Plan, the plan for 1986 provides for Kcs 8.4 billion additional in construction starts over and above the directive. This would result in a decline in outstanding budgeted cost balances of only Kcs 3-4 billion (about 2 percent). The development of uncompleted projects is shown in Table IV.

Table IV

	<u>1985</u>		<u>1986</u>
	<u>Plan</u>	<u>Expected</u>	<u>Draft</u>
volume of work and deliveries	83.0	84.5	82.7
budgeted costs of construction starts	78.7	83.3	78.4
balance of changes in budgeted costs	12.1	11.9	0.8
outstanding budgeted cost balances as of 31 Dec	174.7	174.6	171.2
uncompleted construction as of 31 Dec	143.3	158.5	147.2

In addition to pressures for starting construction projects another risk is the low level of reserves for cost overruns on construction projects (Kcs 0.8 billion, while average annual increase in budgeted costs has been Kcs 3 billion for the Seventh 5-Year Plan). It will therefore be necessary to adhere to the planned objective that every increase in the budgeted cost of a construction project over and above the reserve amount be deducted from the potential volume of construction starts.

Reducing noncompleted construction projects by further limiting construction starts is one of the main strategies for dealing with the current high level of uncompleted construction projects, especially in view of the decline in projected volume of work and deliveries at all construction projects slated for 1986. This decline is still open to verification, especially since it may be affected by decree No 37/1983.

The plan for construction starts seeks to fulfill more consistently the programmed purpose of investments, above all by implementing effective programs, especially state priority program 02, the electronization program, assuring the practical application of R&D findings, improving the export performance of the economy, improving ecological relationships, etc. Effective modernization and reconstruction projects are given priority in any event over construction starts.

In the fuel and power sector plans for 1986 include the initial phases of work on the Temelin nuclear power plant, line portion No 4 of a branch of the transit gas pipeline, further work on quarries, and mines at special purpose projects and at mine works, and several heating plant projects. In the engineering

sectors, including electrotechnology, the main facilities undergoing reconstruction include the Mlada Boleslav Automotive Plants, national enterprise, the turboalternator plant at Plzen Skoda, the Saris plant of Ceskomoravksa-Kolben-Danek, the construction and rebuilding of Tesla plants, Machinery and Automation Plants [ZPA] and others. Important export oriented and efficiency enhancing projects of the ministries of industry of the CSR and SSR include hydrocracking facilities in Litvinov and Bratislava, synate chemistry facilities and the Kolin Lenin Works, and other projects related to speciality chemicals. Food industry projects include freezing plants at Olomouc and Kezmarok and a sugar plant at Kopidlno. The processing industry has plans for starting a number of other, smaller, modernization and reconstruction projects and projects to protect the environment. Industry (excluding fuel and power) plans for 1986 include the beginning of 52 projects with budgeted costs totalling Kcs 13.3 billion; 50 percent of these involve modernization or reconstruction. These projects will produce about Kcs 1.9 billion of goods for export to socialist countries and some Kcs 4 billion for export to nonsocialist countries, and production increases to replace currently imported items of some Kcs 1.8 billion annually.

Other figures describing the economic efficiency of construction projects slated to be started in 1986 are promising in relation to overall capital asset replacement.

Programs and investment projects slated to be started in 1986 have been strictly evaluated based on their effectiveness and contributions to the national economy. When priorities were assigned, preference was given to projects from effective state priority programs, R&D projects and projects related to ecology. Production projects were chosen based on their potential for generating exports and enhancing the efficiency of imports.

Within the context of state priority program 02 the startup is urged for 1986 of 10 projects with total budgeted costs of Kcs 589 million. Other projects are included in the limit on start-ups within the context of other construction projects (Kcs 749 million). Within the context of SZNR almost Kcs 1.1 billion of investment is projected for state priority project 02. Fuel and power conservation within state priority program 02 will be determined according to the guidelines.

The plan for specified projects includes nine projects with budgeted costs of Kcs 967 million that are related to the practical implementation of R&D findings. In addition the practical application of R&D work is assured within the context of other construction projects and within the framework of SZNR. This is a matter only of projects that provide for the application of specific outputs of the state R&D plan. They do not include, in other words, all outputs of the R&D programs, especially a number of large programs (nuclear power, special techniques, deliveries of computer technology, etc.).

The rapid practical application of R&D findings is of critical importance for the intensification of the capital replacement process. The speed with which

this is accomplished has direct bearing on the relationship between the R&D plan and the capital investment plan. So far there has not been the needed cooperation between divisions that plan R&D and investment divisions from enterprises all the way up through central agencies. The result is the situation in which, throughout R&D divisions, investment projects are currently proposed for generating R&D findings which direct or indirect investors know little of, or the efficiency of which cannot be reliably measured.

To correct this situation we must see to it that when R&D tasks are assigned more care is taken in specifying the needed investments, and that special care be taken to make full use of existing space, or of facilities that might be convertible.

The investment plan for facilities related to environmental protection for 1986 is based on the investment program approved for the Eighth 5-Year Plan. Those projects will be implemented which protect water quality and remove solid wastes. Construction valued at Kcs 1.9 billion will be performed on projects carried over from the Seventh 5-Year Plan. Construction will be started on Kcs 1.4 billion of projects. The overall volume of environmentally related investments scheduled to be implemented in 1986 amounts to Kcs 2.15 billion. The plan provides the preconditions for the fulfillment of the specified program, including the most important projects which will have to be handled at the level of the sector or economic production unit [VHJ], despite the fact that serious problems persist in preparations for and the execution of environmentally related projects.

The list of specific projects ready to be started in 1986 included projects that have been fully designed and contracted for. Exceptions include certain important parts of the automotive vehicle program, the heat generation program, preparatory activities for the Temelin nuclear plant, and ecological projects for which initial approval is expected in the first quarter of 1986.

Of the total limit for construction start-ups in 1986 (Kcs 78 billion) 47 percent (budgeted costs of Kcs 36.8 billion) are specifically named in the state plan as 120 individual projects (75 percent of which are for industry). In comparison with the Seventh 5-Year Plan there is a substantial increase in the percentage of large, specifically named construction projects in the state plan. This has come about because of pressure from central agencies for the implementation of large, complicated projects executed as binding tasks of the state plan, and in some cases as centralized construction projects. This reduces the opportunity for decisionmaking at lower levels of management concerning the start of smaller, progressive modernization and reconstruction projects, projects involving very little construction work, and projects with a rapid payback period. We will have to deal with this problem in the course of the year and explore possibilities for replacing large, centralized construction projects for small, progressive projects that can be completed quickly and which have a rapid payback period.

## Contract Assurance

Reducing the amount of uncompleted construction projects is intended gradually to bring into balance our requirements for capital investment and the resources of our construction sector and the availability of machinery and equipment. Contractual commitments for the proposed volume of investment for 1986 have been verified for all uncompleted and recently begun construction projects as well as in aggregate figures for selected branches.

In comparison with recent years the level of contractual commitments to binding construction projects improved for 1986. At uncompleted projects commitments were made of work and deliveries that met the requirements of investors in terms of the construction schedules and planned completion targets.

Contracts have been signed for at least the planned amount of construction work, Kcs 92 billion, which is made up of Kcs 65 billion from contracting construction firms and Kcs 27 billion from nonconstruction organizations and imports. Construction organizations from the CSR will perform Kcs 40 billion of this work, while organizations of the SSR will perform Kcs 25.2 billion of work (with a reserve available of some Kcs 0.3 billion). The investment plan contains a decline in the performance of construction work from nonconstruction organizations, and it will therefore be necessary to monitor the use of nonconstruction organizations in 1986 and to identify these deliveries, especially in conjunction with differences in the statistical reporting of construction work by contracting and nonconstruction organizations that appear in investor and contractor statistical reports.

Contracts have been signed to cover all uncompleted tasks and binding tasks of the state plan which have been started.

The needed equipment is being obtained through deliveries from the Federal Ministry of General Engineering, the Federal Ministry of the Electrotechnical Industry, and through imports from nonsocialist and socialist countries. The most serious problem remains deliveries from the Federal Ministry of Metallurgy and Heavy Engineering [FMHTS], which are currently expected to remain in 1985 levels in 1986 (because certain waivers have expired on the reporting of the volume of work performed and deliveries made).

In order to deal with the current high level of uncompleted projects it will be necessary to continue to make efforts to restructure our construction firms so that they can better handle finish work, deal with shortages in certain professions and in deliveries of certain hard to obtain items, and to correct problems in assembly work.

## Construction Completion, Capital Replacement Relations

Construction projects that have been established as binding state plan tasks for 1986 include 78 facilities that will be put into provisional operation. Of these 55 are production facilities and 23 nonproduction. The production related projects include:

-- in the fuel and power sector, in addition to units 2 and 3 at the Dukovany nuclear power plant, the continuation of projects at the Chabarovice, CSA and Jiri open pit mines (increases in extraction) and at the Druzba and Merkur mines (maintaining extraction levels). Also included are hot water sources and feeders, dormitories and emergency service housing at the Mochovce nuclear power plant, etc;

-- in the metallurgy and heavy engineering sector operations will begin at facilities that make a significant contribution to exports or to enhancing the efficiency of imports, such as the Kladno Medium Fine Rolling Mill, the Kraluv Dvur Cold Rolling Mill KZ, the Rokycany Kovohute Nickel Alloy Rolling Mill, an increase in the production of aluminum oxide at Ziar and Jronom, a production-technical building for semiconductors at the Prague plant of Ceskomoravska-Kolben-Danek, as well as projects involving the processing of secondary raw materials, such as a crushing line at Tlumacov Kovosrot, for the processing of lead wastes at Pribram Kovohute, the rebuilding of the tin-stripping facility at Brno Kovosrot and other projects;

-- in general engineering projects at subassembly divisions and the heating plant of Brno Zetor;

-- in the electrotechnical industry projects include electron lithography at Brno Tesla, the production of Slavkov mezamatic drives, the expansion of halls at Roznov Tesla and Piestany Tesla; still undecided is the size of the facilities to be started up in 1986 at the Mohelnice and Michalovce Moravian Electrotechnical Plants;

-- in the national sectors operations will begin at other projects that can make a contribution to exports, such as chemical and diagnostic preparations at Brno Lacheme, Karlovy Vary porcelan, the Dvory Plants, the Nymburk malt factory, the KRPAP Carbonless Paper factories at Hostinne, and others.

The production facilities slated to begin operations in 1986 should gradually help to increase exports to socialist countries by Kcs 2.6 billion in all charges paid prices, and an increase of Kcs 1.2 billion to nonsocialist countries, and an increase in production to replace imports of about Kcs 300 million annually

At completed facilities it is necessary to speed up the breaking in period and get them operating at their designed parameters and deal with the problems that make this difficult to do. When breaking down the plan the incorporation of designed production, exports, profits, etc into the corresponding parts of the production plan, the export plan, the financial plan, etc should be verified.

Investments that begin operations and become part of the capital stock in 1986 should aid in improving the efficiency of the overall capital asset replacement. In conjunction with an increase in the amount of modernization and rebuilding of the capital stock it is necessary to increase substantially as well as the scope of liquidation efforts, especially for machinery assets, and especially for obsolete production facilities.

The plan for 1986 provides for a substantial expansion in the removal from service of capital assets, especially obsolete and unutilized machinery and equipment. In the national economy and the main branches of the production sphere it is necessary to retire capital assets from service at a rate shown in Table V.

Table V (figures are in billions of korunas and percent)

Indicator	Average annual volume of capital assets removed from service, 1981-1985		Plan 1986	Index 1986/ average 1981-1985
	a	b		
National economy	a	19.4	24.5	126.3
	b	14.3	18.4	128.7
Production sphere	a	15.5	19.7	127.0
	b	11.6	15.1	130.2
Industry	a	7.7	10.1	131.1
	b	6.2	8.1	130.6
Construction production	a	1.02	1.30	127.5
	b	0.96	1.26	131.3
Agriculture	a	3.42	4.55	133.0
	b	2.46	3.30	134.1

- a) total capital assets
- b) machinery assets alone

The proposed rate of retiring capital assets will not even assure any improvement in the capital intensiveness of production, which continues to grow, as shown in Table VI (in percent, + increase, - decrease).

Table VI

Capital intensiveness	1985/1984	1986/1985
-- gross industrial production	+2.9	+3.2
-- adjusted values added in industry	+0.4	-0.4
-- basic construction output	+3.6	+2.2
-- adjusted values added in construction	+1.9	+3.0
-- gross agricultural production	+8.9	+5.7

The capital intensiveness of all industry is affected significantly by the intensiveness of the fuel and power complex. The capital intensiveness of adjusted values added in fuels increased in 1986 in fuels by 8.9 percent, and in power generation by 3.2 percent, in metallurgy by 1 percent. There will be an eventual decline in capital intensiveness for the ministries of industry of the CSR and SSR and to a lesser extent also for general engineering and the electrotechnical industry.

The conditions for improving the capital intensiveness of our production are:

- achieving better facilities utilization;
- more rapid capital asset replacement and quicker retirement from service (thereby reducing the age structure of the capital stock);
- greater increases in production and adjusted values added.

In addition it is necessary not to expand facilities in cases where increased production can be achieved by the better utilization of existing facilities, closing down unpromising operations and plants, or reducing the number of jobs, especially in the processing industry.

To assure the main objectives related to increasing the efficiency of the investment process and overall capital asset replacement a number of tasks have been set for the formulation of the investment plan at lower levels of management in the organizational paperwork and CSSR Government Resolutions that accompany the state implementational plan for 1986.

The government decrees, specifically:

- that priority be given to beginning operations of facilities and completing uncompleted construction within established timetables and deadlines;
- to give priority to projects related to the practical application of R&D findings and state priority programs, efficient comprehensive modernization efforts, export programs, programs to increase the efficiency of imports and projects to protect the environment (with similar steps to be taken during design preparations);
- to verify that newly commissioned facilities be used in full, 2-shift operations (with especially expensive machinery used for 3 shifts);
- that expected contributions of new facilities, based on their operating parameters, be incorporated into the proper part of the plan;
- to permit only in exceptional cases the construction of new plants in industry (with the exception of the mining and processing of fuels and raw materials); not to permit the expansion of facilities if the desired production can be obtained from the better utilization of existing facilities;

- define the decisionmaking authority for other and centralized construction work as resting with progressive VHJ provided that they adhere to demanding criteria and conditions of investment activity (facility utilization, effectiveness of export production, facility modernization, a low percentage of construction work, the establishment of technico-managerial indicators, especially for nonproduction projects, etc.);
- treat the roster of construction projects and equipment deliveries for 1986 as requiring all of our resources, and permitting new construction only after all uncompleted and binding projects in the plan are fulfilled;
- explore the possibility of reducing the percentage of construction work on new projects and the potential for replacing larger construction projects with smaller projects focusing on modernization and reconstruction;
- to formulate the volume of investment in the SZNR category according to program strategy;
- in industry, construction and agriculture, to formulate programs for modernizing and upgrading the production-technical base and in conjunction with this program for the retiring from service of capital assets, at the same time establishing the limits of retirement from service without upgrading based on their low use rates.

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## MONETARY POLICY 1986 AND 8TH FIVE-YEAR PLAN DISCUSSED

Prague FINANCE A UVER in Czech No 2, 1986 pp 73-85

[Article by Jan Stejskal, Chairman of the Czechoslovak State Bank]

[Text] The successful conclusion of the Seventh 5-Year Plan marked the end of a complicated chapter in the development of our society. During that period our economy had to cope with worsening foreign and domestic conditions. Economic and trade relations with non-socialist countries were affected by an increasingly strained international political situation, crises in the capitalist system at the beginning of the 1980's, and discriminatory measures taken by some capitalist countries, which made it difficult to pursue the goal of restoring the foreign economic balance of our country. Developments in economic conditions at home also impeded the implementation of adopted plans, particularly the need to adapt the economy quickly to lower prospects in the area of energy and raw material inputs. An adverse impact was made also by the worsening situation in utilizing domestic energy resources. In 1981-1982 weather conditions affected results in agriculture and in 1985 of industrial departments as well.

All of these factors determined the framework within which the tasks of the Seventh 5-Year Plan were being carried out and added to their highly demanding nature. They were reflected fully also in the monetary situation, in monetary plans for individual years of the Seventh 5-Year Plan, and influenced the way monetary policy was being applied in carrying out tasks in this area. The bank system took an active part in coping with the situation that arose and in implementing to the maximum degree the objectives of the economic policy of the Czechoslovak Communist Party in the monetary area. It consistently focused the thrust of its instruments on priority goals, particularly on a gradual restoration of the external economic balance and dynamics of economic growth, on increasing the efficiency of the economy and better utilization of material and energy inputs, on realization of the planned structural changes, on accelerating research and development, on improving volume and structure of supplies for the domestic market, as well as on helping to improve the development and quality of services offered.

The State Bank has been gradually enhancing the active aspect of its work by increasing the stimulative potential by means of credit and foreign exchange while adhering to the principle of payback, as well as by preferential credit and other means. In this way it assisted the implementation of progressive actions and the economic growth of well-managed organizations. At the same time it adopted a stricter attitude toward organizations which have not been fulfilling the tasks of the plan, impaired the efficiency of the economy, and were not meeting the conditions under which credit was granted. The bank consistently denied credit to such organizations, differentiated credit rates according to the degree to which they failed to meet their assignments, and in some cases applied penalties with a resulting impact on accrued wages. The approach of the bank during the Seventh 5-Year Plan was based on broad review, control and analytical procedures, and its findings were often used by agencies outside the bank as well.

To summarize, the monetary policy of the bank, carried out according to the strategy of the Seventh 5-Year Plan, helped to bolster the positive trends and moderate some negative features of the domestic economy.

The achievement of the basic objectives of the Seventh 5-Year Plan, as well as a consistent orientation of the banking system toward achieving the objectives of the plan in the monetary sphere, were reflected positively in the monetary developments of that era. The renewed dynamics of economic growth beginning roughly half way into the Seventh 5-Year Plan succeeded in ensuring particularly the following monetarily stabilizing trends:

- to positively influence the balance in foreign economic relations, achieve a considerable reduction of our obligations in free currencies, and thus to ensure a transition from an overall debtor to an overall creditor position of the country;
- to strengthen and stabilize the domestic market and consolidate the social securities of the public; that made it possible to cover the needs of the monetary plan mostly out of consolidated internal resources, particularly personal savings;
- by reducing the growth in granted bank credits, to bring the increase in credits more in line with the dynamics of basic macroeconomic indicators, particularly with the growth of the national income;
- to improve the utilization of inventories in industry branches and in construction;
- to increase the creation of internal resources and strengthen the internal financial base of economic organizations by improving the efficiency of their management.

These results are all the more noteworthy because they were achieved under very difficult economic conditions.

During individual years of the Seventh 5-Year Plan, the planned amount of credit granted to the enterprise sector was basically adhered to, as shown by data in Table 1.

Table 1.

In Billion Kcs

	<u>Sum of Monetary Plans in 1981-1985</u>	<u>Actual Facts Per Year</u>	<u>Differences</u>
Operating Credit	+69.1	+73.3	+4.2
Capital Investment	+20.9	+16.5	-4.4
Total credit for enterprise sector	+90.0	+89.8	-0.2
Total credit for enterprises and public	+96.6	96.0	-0.6

The positive aspect from the monetary point of view is the fact that we were successful in keeping to the planned increases in credits and reducing the growth dynamics of credits in relation to the national income--see Table 2.

Table 2.

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Growth of credit (state of accounts)	104.1	104.1	103.4	105.7	102.7
Dynamics of created national income (in current prices)	97.3	104.8	102.3	106.7	103.3 <sup>a</sup>

<sup>a</sup>constant prices

During 1982, 1984 and 1985 the rate of growth of credit in current prices was lower than the rate of growth of the national income. At the same time, the credit increase in 1984 was influenced by the implementation of the new billing ordinance concerning supplies for capital construction, which resulted in an increase of the share of bank credit for financing un invoiced work and supplies. A relative slowing down of the rate of growth of credit and a gradual acceleration of the rate of growth of the national income and other macro-economic quantities, which occurred in the course of the Seventh 5-Year Plan, testified to some improvement in management efficiency in the enterprise sector and resulted in a turnaround of the unfavorable trends which appeared particularly during the course of the Sixth 5-Year Plan.

A favorable development of monetary plan resources needed to cover credit also took place. The creation of resources for enterprises and organizations out of personal savings made it possible to finance all domestic credit needs, as well as to ensure repayment of previously used foreign credit. The increase in credit resources was due mainly to personal savings (+62.1 billion Kcs, that is 50 percent of the total increase of resources); their growth was influenced positively by a stabilized savings rate (that is the share of cash on hand and deposits of the public relative to total personal earnings): that came to 3 percent in 1981, 4.1 percent in 1982, 4.1 percent in 1983, 3.9 percent in 1984 and 3.6 percent in 1985.

There was a more effective development of inventories in industry and construction, where an acceleration of 7.7 days for all of the Seventh 5-Year Plan took place (during 1971-1980 the turnover time of inventories slowed down altogether by 6.8 percent). The change of turnover time of inventories was as follows: in 1981 declaration of 0.2 days, in 1982 deceleration of 1.3 days, in 1983 acceleration of 2.8 days, in 1984 acceleration of 4.5 days, in 1985 acceleration of 1.9 days (without excluding price and other factors).

The share of bank credits to cover current assets and inventories also developed favorably--see Table 3.

Table 3.

	<u>In Percent</u>				
	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985<sup>a</sup></u>
Share of operating credit to cover current assets	50.5	49.6	49.9	51.6	52.1
Share of investment credit to finance capital construction	23.8	27.9	28.5	20.2	23.3

<sup>a</sup>expected

The share of credit for financing inventories in industry and construction was stabilized. The growth of the total share of credit reflects the increased volume of credits for inventories in trade, distribution and marketing organizations, where the financing of inventories is done entirely by credit. The share of these components of current assets in manufacturing organizations grew correspondingly; these are, in accord with established policy, financed entirely by bank credit, for example, notes receivable, deferred charges, uninvoiced work and supplies.

Despite the undeniably favorable trends, which were discernible in the monetary developments during the preceding period, it must be noted that they were only to a certain degree due to the use of intensifying factors or to an improved effectiveness of the material aspect of the

replacement process. We were not entirely successful in resolving in their entirety the problems concerning quicker application of scientific and technological developments into economic practice, full utilization of production assets, or failure to use production as planned. That slowed down the restoration of economic and monetary balance. An uneven fulfillment of planned assignments for export, and particularly the failure to fulfill the tasks to make it more efficient, limited the possibilities to create more reserves of foreign exchange in free currencies. There were deviations from the planned structure of relations with CEMA countries, which meant that more domestic resources had to be used abroad than the plan stipulated. Although in individual years the balance of the state budget was maintained, the creation of internal resources of organizations resulting from the efficiency the organizations achieved was not sufficient to lower and moderate the pressure by the enterprise sector for financing over-plan needs by bank credit, particularly in the area of current assets.

The monetary development during the Seventh 5-Year Plan was also influenced by deficiencies in the execution of capital construction projects, in supply and demand, deficiencies in the structure of supplies and inventories for the domestic trade and by other factors, particularly by fluctuations in the drawing of credit and foreign currencies caused by uneven production and invoicing during the course of a year as well as of individual months.

These deviations from planned development point to the existence of unused potential, which could be employed to spur the creation of resource for the economy or released for another use of the national income. They prove that the level of economic and monetary balance during a given stage depends to a decisive degree primarily on improving the qualitative side of the total replacement process and its efficiency.

The positive results achieved in individual areas of the monetary policy are proof that a determined pursuit of designated goals and a systematic focusing of the bank instruments to serve society's interests can effectively assist in ensuring an overall economic balance even in the future. We will need to use the experiences we gained to use the instruments of the banking system more actively, integrate them more broadly into the design and realization of the state plan, and do this in coordination with other value instruments and in accord with the Main Trends for Further Development of the Set of Measures for improving the Planned Management System of the National Economy. Tasks in this respect have been assigned by the 16th Congress of the Czechoslovak Communist Party also to the State Bank.

In the report of the Presidium of the Central Committee of the Czechoslovak Communist Party concerning the status of preparations for the Eighth 5-Year Plan for the economic and social development of CSSR and the plan for the year 1986, Comrade Strougal stated that setting the national economy on a course of intensive development and a new quality of economic growth will also require "a more extensive use, even during the process of formulating the plan, of the financial, credit, wage, and monetary instruments to ensure increased efficiency and balance and thus work toward a unity of material and financial planning."

The preliminary monetary projection for CSSR for 1986-1990 stems from Directives for the Preparation of the Proposals for the State Plan for the Development of the National Economy for the period of the Eighth 5-Year Plan. Its basic goal is to strengthen the balance in external relations as well as in the internal development of the Czechoslovak economy, and to ensure a stable buying power of the Czechoslovak currency. The basic requisite for ensuring the desired monetary development is to include in the economic plans tasks for the kholzraschet sector that will guarantee the achievement of greater rate of growth of the economy and increase its efficiency.

The above mentioned objectives are reflected in the way resources are created and needs evolved for the monetary projection. Compared to actual results expected in the preceding 5-Year Plan, we are assuming a faster growth of resources of the monetary plan as a result of increased planned dynamics. That will make it possible to cover the great needs of the monetary plan. Credit requirements will be influenced also by a new factor, the Czechoslovak participation in integrating CEMA actions, and the necessity to cover them temporarily in the domestic economy. Although this will manifest itself in a different development of the basic monetary standard during individuals years of the 5-Year Plan, overall the necessary development of this standard (i.e., the relationship between the growth of credit granted and the growth of created national income) for all of the Eighth 5-Year Plan will be assured--comp. Table 4.

Table 4.

	<u>In Percent</u>					
Basic Monetary Standard	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1990/1995</u>
Dynamics of credit (exclusive of credit for CEMA actions)	101.7	101.6	101.8	102.2	102.1	109.9
Dynamics of credit (incl. CEMA actions)	103.5	104.1	104.3	101.3	101.9	115.9
Dynamics of created national income in current prices	103.5	103.5	103.5	103.5	103.5	118.8

In accord with the objective to strengthen the internal financial base of the kholzraschet sector and increase the pressure for releasing unused potential, we are counting on slower growth in future operating and investment credit for the enterprise sector. In contrast to the Seventh 5-Year Plan, when the increase in these credits amounted to about 90 billion Kcs, the projection for the Eighth 5-Year Plan assumes an increase of 34.6 billion Kcs (exclusive of CEMA actions).

The use of domestic resources to provide credit will have a significant impact also on the planned future improvement of our foreign currency position vis-a-vis the socialist as well as non-socialist countries.

The development of resources for the monetary plan depends on the degree of stabilization of personal savings, which is obvious from the fact that public purchasing power as an internal consolidated resource should amount to 55 percent of the total increase of resources available for credit (an increase of deposits in the amount of 81.1 billion Kcs is being planned; in the Seventh 5-Year Plan it amounted to +74.4 billion Kcs). In contrast to the Seventh 5-Year Plan, we are assuming a lower growth of assets of enterprises and organizations in the accounts of the Czechoslovak State Bank (expected actual results in the Seventh 5-Year Plan +23.9 billion Kcs, in the Eighth 5-Year Plan +13 billion Kcs), because accumulated retained earnings of the enterprise sector should be put to the maximum use for financing current assets and investments.

In the domestic economy, the objectives of the monetary projection for the Eighth 5-Year Plan in the area of operating credit is to facilitate an intensive development of industrial and construction output and creation of desired inventories.

We are assuming an increase in operating credits in the amount of 43.4 billion Kcs for all of the 5-year plan. This is less than during the Seventh 5-Year Plan, when the increase amounted to 73.3 billion Kcs. Of course, this increase also takes into account the impact of implementing decree No 37/83, Laws of the Czechoslovak Socialist Republic, concerning the invoicing of capital investment work and deliveries, and of geological work, which resulted in an increase of operating credits in the amount of 11 billion Kcs, as well as the impact of overpriced inventories.

As far as industrial and construction organizations are concerned, we are counting on using credit primarily for operational needs, modernization, introduction of new productions, and development of production (increase of 7.2 billion Kcs).

Further, the increase in credit is earmarked for supplementing inventories for the development of production of agricultural organization, building up feed stock and food stockpiles (+11.2 billion Kcs) and for the creation of inventories in domestic trade organizations (+9.5 billion Kcs).

Credit in the amount of 12.7 billion Kcs has been designated to cover export claims and other needs of foreign trade organizations.

The planned increase in operating credits is tied to tasks in the area of inventories and to the basic task, which is to accelerate the turnover time of inventories in industrial and construction organizations by 10 days. The contemplated development of this monetary standard reflects the results of the Seventh 5-Year Plan.

The planned increase of credits for industrial and construction organizations has as its objective to guarantee inventories needed for the development of production while at the same time exerting pressure for better inventory management and for utilizing hidden potential in this area. The objective of this is to increase the effective use of inventories, particularly in material intensive branches and in branches that evince poor use of inventories in comparison to others.

In the area of capital construction, the monetary projection stems from the basic objective, which is to secure the following by means of investment credit:

--intensification of the economy by implementing state goal-oriented programs and a broad application of results of research and development,

--development of branches which create the basic innovations needed by other branches to improve quality and level of production resulting in higher competitiveness on foreign markets,

--modernization and reconstruction of long term assets; assisting, mainly by means of rationalization credits, the creation of unified, technologically advanced operations, greater use of robots and manipulators, and introduction of specialized machinery,

--development of the production base of the agricultural complex as a prerequisite for increasing selfsufficiency in agricultural products, particularly foodstuffs,

--fuel, energy, and raw materials balance.

It is assumed that to finance capital construction within the total national economy, 136.1 billion Kcs in long term investment credits will be drawn during the Eighth 5-Year Plan. At the same time, previously granted investment credits will be paid off in the amount of 144.9 billion Kcs, so that the level of investment credits should decline by 8.8 billion Kcs.

In accord with the established objectives, the critical portion of planned investment credits (107.4 billion Kcs) will be directed to state economic organizations. In contrast to the Seventh 5-Year Plan, we are counting on a higher repayment rate of previously granted credit. The objectives of the monetary projection thus create a more demanding atmosphere for the kholzraschet sector in the area of capital investment by a greater involvement of internal resources of the kholzraschet sector in accord with the intensification objectives of the Eighth 5-Year Plan.

For the cooperative sector, the monetary projection--concerned mainly with capital investment of the unified agricultural cooperative and cooperative residential construction--includes an increase of investment credits of 7.3 billion Kcs; that represents a credit drawing of 26.8 billion Kcs and a credit repayment of 19.5 billion Kcs.

The preliminary monetary projection for the Eighth 5-Year Plan, in accord with the planned balance of personal earnings and expenditures, assumes an increased growth of future personal earnings compared to expected actual results of the Seventh 5-Year Plan of 7.4 billion Kcs. We are working on the assumption that the rate of savings will stabilize at the level of 3.6 percent during the course of the entire Eighth 5-Year Plan.

In the area of foreign monetary relations, the monetary projection has the following objectives:

--broaden the CSSR incorporation into the socialist economic network, particularly with USSR, and thus broaden the payment and credit relations; at the same time strengthen the long term balance of payments with individual socialist countries,

--utilize foreign exchange and credit instruments for an active participation of CSSR in the realization of the Comprehensive Program of Research and Development of CEMA Member Countries up to the Year 2000,

--further strengthen the foreign exchange balance in currencies of nonsocialist countries.

In the first case, at stake will be a more extensive mutual cooperation in acquiring new sources of energy and industrial raw materials, with the goal of making certain that our needs will be covered in the future. Even though in this area we are counting on a stabilization of prices, the amount of these resources cannot be guaranteed if they continue to be used so extensively. The higher demands for acquiring such resources means it will be essential to achieve greater relative savings and better utilization of these resources in production than has been the case so far.

The requirement for a dynamic growth in mutual trading goes hand in hand with growing demands for better quality, technological level and flexibility in modifying the range of products. Satisfactory developments in this respect are a prerequisite for ensuring the planned monetary development of relations with socialist countries.

As far as relations with nonsocialist countries are concerned, the process of strengthening the foreign exchange balance will continue. In contrast to the preceding period, the monetary projection reflects the objective to strengthen the payback requirement for granting foreign exchange credits. In particular, the scope for granting foreign exchange for importing modern technology will be increased, assuming a payback, including interest, of 4 to 5 years.

An important task, one upon which rest all the other tasks of the monetary projection, is the planned improvement of the effectiveness of foreign economic relations. Giving more muscle to the tasks of developing the effectiveness of export would help to improve the development and structure of our foreign exchange position and provide more scope for imports of advanced technology for the purpose of intensifying economic development.

To achieve the above mentioned tasks requires that we approach their implementation with full intensity. This is reflected in the monetary plan for 1986, not only in the area of domestic, but also of foreign relations. Its basic design stems from the goals of the monetary projection and is reflected in the changes in the structure of resources and needs thus--see Table 5.

Table 5.

	<u>In Billions Kcs</u>	
	<u>Expected Actual</u>	<u>Proposed Monetary</u>
	<u>Fact in 1985</u>	<u>Plan for 1986</u>
Assets of enterprises and organizations	+ 3.0	+ 2.6
Personal deposits	+14.0	+12.6
Money in circulation	+ 1.9	+ 2.7
Other resources	+ 4.3	+ 4.4
Total resources	+23.2	+22.3
Operating credits	+ 7.7	+ 6.7
Investment credits	+ 5.5	- 0.7
Loans to the public	+ 1.3	+ 1.4
Other needs	+ 8.7	+14.9
Total needs	+23.2	+22.3

The proposed credit development answers the basic requirement of economic policy to ensure the acceleration of the growth dynamics in a decisive degree, facilitated by using intensification factors. The bank will actively support this objective by granting credit and foreign currency and by differentiating conditions and procedures in order to ensure implementation of planned tasks by the enterprise sector.

Credit granted to the enterprise sector will be increased by 6.0 billion Kcs, operating credit by 6.7 billion Kcs. Total credits thus will be increased by 3.5 percent (including credits for financing Czechoslovak participation in integrating CEMA actions)--in accord with the assumed growth of created national income by 3.5 percent.

Credit resources will be used preferentially in branches and sectors which support the intensification of the economy by applying the results of research and development. It is assumed that of the total planned investment credits in the amount of 28.5 billion Kcs, 18.8 billion Kcs, i.e., 66 percent, will be used for purposes of development, modernization and structural reconstruction of key branches. Besides that, a special-purpose credit reserve in the amount of 1.6 billion Kcs to assist the acceleration of research and development will be included in the plan, designated particularly to cover the foreign currency credits with korunas.

To secure the necessary resources of raw materials and energy essential for future economic growth, the bank will be granting, in accord with the established financial procedures, credits for needs arising from our participation in integrating CEMA actions.

Five and one-half billion Kcs will be made available for the development of the fuel and energy base.

At the same time the bank will increase the pressure for a more efficient management of the enterprise sector and for utilizing unused resources to accelerate the dynamics of development, particularly by slowing down the dynamics of the growth of credit with the aim of achieving better utilization of inventories and cutting back production consumption in industrial branches and construction; that will enable it to make use of its own resources to a greater degree and reduce the need to use public financial resources.

The planned extent of operating credit is contingent on accelerating the turnover time of inventories in industry and construction by 2.2 days, which represents a corresponding release of unused resources in inventories in the amount of 5.2 billion Kcs.

By fulfilling this task it will be possible to increase the effective use of credit. The ratio of the operating credit to one Koruna of created profit is to be improved from 2.36 Kcs as of 31 December 1985 to 2.22 Kcs by the end of 1986. The ratio of operating credit to one Koruna of adjusted value added will be improved from 0.74 Kcs to 0.69 Kcs.

To support the objective of the plan to work toward achieving more quality in meeting the needs of the people, operating credit in the amount of 1.9 billion Kcs will be granted for supplementing trade inventories and improving their structure, 0.4 billion Kcs for improvement of services, and 2.1 billion Kcs for investment credit for cooperative residential construction. Personal loans will be increased by 1.4 billion Kcs.

In foreign relations, the foreign exchange position of the state continues to improve, which, from the point of view of the monetary plan, is evidenced by the use of some domestic resources for abroad.

The planned increase of needs at home and in relation to foreign countries will be fully covered by domestic resources, particularly consolidated personal assets (deposits, money supply), which will have a share of 68 percent in the planned increase of resources available for credit. At the same time, it is assumed that long term deposits will have a share of 58 percent of the total deposits.

To guarantee implementation of the tasks of the monetary projection for the period of the Eighth 5-Year Plan, new Principles of Domestic and Foreign Monetary Policy after 1985 were approved by resolution of the CSSR Government No 289/1985. Concurrently, a new decree, No 103/1985 Laws of the Czechoslovak Socialist Republic, was issued, concerning the granting of credits and credit rates.

Following on the government resolution No 243/1984, which approved the Main Direction of Further Development of the Set of Measures for Improving the Planned Management System of the National Economy, monetary standards ensuring the efficiency of the economy from the monetary point of view have been worked out and detailed. The Bank will use them at the macroeconomic level not only in the process of formulating macroeconomic plans, but also during the course of their implementation, to evaluate monetary development, to determine the needs and resources of the monetary plan and make certain that they are used effectively. When granting credit to enterprises and organizations, greater use will be made of the standard for effective use of credit, which is tied to the goal against which will be evaluated not only the fulfillment of the plan, particularly the qualitative indicators in the economic management sector, but also a yearly evaluation of enterprise management. That will enable us to use more credit differentiation and focus the granting of credit on assisting efficiency, desired overfulfillment of the tasks of the plan, and ensuring the development of state of the art productions. As a standard of how effectively an organization is using credit in its management, use will be made of the ratio of credit to the basic qualitative indicators of the enterprise, to the growth of current assets, etc. The development of these standards will be evaluated by the bank relative to the tasks of the economic plan of the organization and goals of the monetary plan; they will be used already during the stage of formulating the plan for the purpose of including in it more progressive task assignments.

By applying these standards, the bank will assist in ensuring a unity of material and value planning as well as national priorities.

An important measure, which was reflected in the credit policy of the bank as well, is the realization of the principle contained in the Main Directives of Further Development of The Set of Measures for Improving the Planned Management of the National Economy, according to which internal resources of organizations will play a larger role in covering operating expenses. This principle is contained in the Federal Finance Ministry decree No 109/1985 Laws of the Czechoslovak Socialist Republic, concerning the financing of operating expenses. In the event that there is a planned increase of inventories, for which the bank refuses to grant credit, the enterprise will be obligated to include in its financial plan means for covering this increase entirely out of the working capital.

A closer linkage between internal resources and credit will be enforced even in the case of covering above-plan inventories by the end of the year. An above-plan increase of inventories will have to be covered by an organization to a sufficient degree out of the working capital. As long as the bank refuses to grant credit for these above-plan inventories, the organization will be obligated to cover them entirely out of the working capital.

On the other hand, if an organization meets the criteria for an effective use of credit, and if it is able to develop state of the art productions,

for example for export, or speed up research and development, etc., the bank can grant it a medium term credit to supplement its working capital for the remaining portion of the planned increase of inventories, which it is supposed to cover out of its internal resources. The same applies even in the case of covering above-plan inventories toward the end of the year, particularly if the planned amount was exceeded as a result of producing desired market ready inventories.

As far as other current assets besides inventories are concerned, the linkage between credit and internal resources of an organization is similarly applied. When the bank refuses credit, an organization is obligated to make up the short-fall in covering current assets by reducing other planned project accordingly, or by increasing internal resources for current assets.

In credit policy, the principles place great importance on supporting research and development. The granting of credit will be contingent on achieving higher technological level and improvement of products, thus making them more competitive on world markets. A new improvement credit will be introduced, which will enable organizations to speed up the overall improvement cycle and take a comprehensive approach to the needs of research and development. Other preferential operating and investment credits also will be granted for this purpose.

In the area of inventories, following on government decree No 74/1984, preferential credit assistance by the bank will be given for producing desired market ready inventories, assuming a shortfall of consumer inventories. In the case of organizations which show poor inventory management, the bank will demand that the organizations, when requesting credit, give proof that they are strengthening their inventory norms in order to carry out the planned tasks in inventories. New principles of credit policy will be established also for other branches, particularly for agriculture and forestry management, domestic trade, local production and services. At the same time the working of the credit will be adjusted to the distinctive features of the current assets circulation in those branches.

In the area of capital construction, credit policy is aimed at assisting modernization, rationalization and other progressive investment objectives. The standard for granting investment credit will be the effectiveness and payback on the investment, contribution to the balance of payments and utilization of existing capital assets. At the same time, the principles establish maximum maturity terms of investment credits in selected branches of the national economy. Credits for construction with a longer payback or high share of construction work will be granted only as an exception.

The principles, in connection with the decree concerning granting of credit, sets the highest limit for punitive credit and credit compensation, and also determine the basic methods for implementing them. To make certain that credit compensation will be commensurate with the contribution which

the organization will bring to society, the compensation will now be set at five percent of the contribution achieved. This procedure stems from the fact that since 1986 a portion of the compensation influences 100 percent of the resources of accrued wages (up till then only 50 percent). As a way to make the procedure more stringent, in the case of organizations which for a long time have not been meeting the standard for efficient use of credit and as a result did not guarantee a return on the credit, the bank will adjust the use of penalties combined with penalties in the area of payment relations, including introduction of amandated schedule of payments in connection with Paragraph 14, Section 2 of the decree of the Czechoslovak State Bank No 10/1978, concerning payment schedules.

When granting credit assistance, a decisive aspect of differentiation is whether and in what time period the organization will be able to make up the deficiency in resources. A new idea is to grant credit for opening a letter of credit, which, however, could be done only in connection with a change in the production schedule. Higher limits are also being set for the automatic implementation of the so-called small payment of up to 5,000 Kcs. A new formulation of consolidating credit is being prepared for organizations where resolving shortfall is a drawn out affair after all credit assistance has been used up, or which requires key participation of a superior agency of the enterprise. In the principles, which were approved by government resolution No 289/1985, it is stated that if during the term contained in the consolidating plan there is no fundamental turnaround in the financial situation of the enterprise, the minister will, on the suggestion of the bank, present to the appropriate government agency an analysis of the activities of the organization which has been put on a consolidating regimen, together with a proposal for basic measures (for example merging the organization into another organizational unit and shifting its production program to another organization).

On the basis of experiences gained during the period of the Seventh 5-Year Plan, it became obvious that it is really more effective to apply in all operating and investment credits uniform credit rates, at the same time strengthening credit differentiation by penalty interest and credit compensations directly affecting accrued wages. The basic interest rate on credits for inventories, kontorentni (as published) credit and other important credits for current assets is set at 6 percent, which is in the middle of today's interest range. In the case of agriculture and trade, the lower interest rate remains. The uniform interest rate for specific kinds of credit and branches will thus become a uniform parameter of using credit for the branches in question. The range of basic credit interest rates is retained only for objectively evaluated cases, such as is the case of credits for customer bad debt, when the organization itself is deciding for which outstanding debt it will request credit, in which case the rate is graduated according to the time elapsed since maturity. With regard to the government resolution No 74/1984, the bank is introducing a low interest rate (1.5 percent) to build up desired market ready inventories, on the expectation that a concurrent decline in consumers inventories, on the basis of a precise specification of inventories of this type, occurs and that they will be managed strictly according to the plan. The rate of

credit assistance will be set at a higher level according to their type. The rate on credits not repayed with the established term will be set at 15 percent, in order to exert higher pressure in case that an organization does not ensure in time the repayment of credit as determined.

Assets deposited without terms in the accounts of organizations so far have had interest paid on them only in the case of selected organizations. In the future, all assets will be interest bearing in all organizations at the rate of 0.3 percent.

In the area of foreign monetary policy, there will be, in contrast to present practice, an intensification, particularly in the exchange rate policy, in foreign exchange relations with currency areas, while covering import by foreign currencies and foreign currency credits will be made easier.

The rate of exchange policy has been for a long time, in accordance with the principles, aimed in close cooperation with price, financial, credit and investment policies at strengthening the standard setting function of the exchange rate, aiding the objectives set by the state and currency plan in foreign relations, and at improving the structure of production and foreign trade. Such a procedure will help the stability, and strengthen the buying power, of the Czechoslovak koruna.

The principles of the foreign currency policy of the bank are aimed at employing the foreign currency instruments to help socialist economic integration and higher forms of economic cooperation. At the same time, the bank will endeavor to make effective use of the billing and credit mechanism of international socialist banks (MBHS and MIB) to ensure long term balance of payments in the exchange of goods, in mutual relations, and other forms of economic relations.

Concurrently, the bank will assist through its credit and foreign currency policy the realization of actions of economic cooperation with USSR and CSSR participation in implementing the Comprehensive Program for Scientific and Technological Development of CEMA member countries up to the Year 2000.

As far as foreign exchange relations with nonsocialist countries are concerned, the principles take the position that a closer coordination with the objectives of foreign trade policy with foreign exchange policy is essential. The bank will give credit assistance to Czechoslovak exports and will coordinate credit requirements with price requirements in such a way that an effective contribution to the balance of payments will ensue. At the same time, it will aim its procedure at ensuring a timely payback on export loans. In this manner it will promote a gradual improvement of the overall CSSR position, as well as an improvement of its time and territorial structure in accord with the objectives of the plan,

In the modified requirements of the Czechoslovak State Bank for releasing foreign currency to cover payments of obligations in external economic activities and for payments abroad, all the principles which proved

beneficial in the past will be retained, and those principles for releasing foreign currency in the Eighth 5-Year Plan which can contribute to increased activity in the area of foreign economic relations and foreign currency management will be clarified and expanded.

In order to achieve more economy in noninvestment imports, a new measure was introduced at the end of the year, which will make it possible to transfer released and unused foreign currency assets from the current year to the following year, when they can be used above the level of prescribed limits of other noninvestment imports of that year.

In an effort to provide further incentives to earn foreign currency by increasing the export capability of the Czechoslovak economy, the proposal for requirements will also include the system, experimentally verified during 1985, of releasing foreign currency even if the yearly export plan has been exceeded.

The Eighth 5-Year Plan also assumes that, depending on the development of the balance of payment, the bank can grant so-called temporary foreign currency credit to tide over the time discrepancy between the generation of foreign currency to pay for noninvestment imports and the increased need for it, in the framework of a calendar year or even beyond the calendar year. This, however, has to be done on the condition that there is a guaranteed payback in foreign currency on those released funds.

Significant changes will be made in case of foreign currency credits (DNU) granted by the bank for import of machinery and equipment. To provide the desired higher incentives for this form of import, the bank will increase the payback terms of the CNU to 4 years, with the possibility of increasing it further to 5 years. The amount of the required contribution to the balance of payments will be differentiated according to the terms of the foreign currency credits, the so-called margin, which is being decreased overall. The purpose of these measures is to increase the share of cross account imports within the total volume of investment imports. Foreign currency credits, following the experimental verification during 1984-1985, will be used during the Eighth 5-Year Plan also in the area of non-investment imports. This will concern mainly smaller imports with quick payback, the import being paid by export in the current year.

Both these forms of payback credits are aimed at assisting the modernization process and at accelerating research and development in the national economy.

Beside actively assisting the effective use of foreign currency assets, the bank will adopt in the Eighth 5-Year Plan stricter procedures in the area of the koruna and foreign currencies in cases where foreign currency assets are not well managed.

The changes in the monetary bank policy stem from experiences gained during the preceding period. The purpose is to increase the effectiveness of credit and other instruments of the bank, and thus also the work of the State Bank when fulfilling given tasks. The changes carry with them greater authority and responsibility by individual organizational units of the bank. That will enable them to increase their commitment and individual contribution to the overall efforts of the bank while working in the interest of society.

Greater independence and responsibility of individual organizational units of the bank in fulfilling the coming tasks of economic policy in the monetary area will place greater demands on the level and effectiveness of bank management.

A significant source for raising the level of management rests in further development of ASR [as published] of the bank. In the past, good results have been achieved in this sector. The introduction of automation of bank operations (ABO) brought considerable savings, lead to a decrease in labor input and improved bank services in this area. During the Eighth 5-Year Plan there will be a greater use of computer technology also in the economic work of the bank, in formulating and detailing the monetary plan, in the area of capital construction, and in the financing and credit sector and other sectors. Also, a number of individual routines for internal needs of the bank will be computerized.

The introduction of ASR in economic sectors of the State Bank will bring, beside savings and better quality of work, also a broader scope for internal economic work and will permit the bank to gain a deeper insight into the management of organizations. This will create new possibilities for raising management efficiency on individual levels.

The Czechoslovak State Bank faces a number of tasks at the beginning of the Eighth 5-Year Plan. Besides economic tasks, the bank will ensure further improvement of services to enterprises and organizations in the area of payment relations. The State Bank will give its foremost attention to continued improvement of the level of banking services to the public.

In economic work, the important thing for the bank will be to take an active part in ensuring the goals of the monetary projection in accord with the urgent need for intensifying economic development. To that end, the employees of the bank have to know how to use at all times the Principles of Internal and foreign Monetary Policy, particularly to learn and apply the standards for effective use of credit.

The knowledge which the State Bank gained during the course of formulating the Eighth 5-Year Plan indicates that this will not be an easy task. A number of organizations and economic production units are still struggling with ongoing problems in implementing tasks of the directive, in some cases they are not consistent enough in their approach, and do not use all the opportunities to look for ways to utilize existing unused resources.

The Czechoslovak State Bank is ready to share at all times in the realization of the Main Directions of Economic and Social Development during the Eighth 5-Year Plan, which will be approved by the 17th Congress of the Czechoslovak Communist Party. It will use the experiences gained so far to broaden and deepen its influence in the economy with society's interests in mind, in a close cooperation with the planning, financial and other agencies of economic management. It will take an active part in resolving problems that will arise and in cooperation with enterprises and their superior agencies search for the most effective methods of using credit and foreign currency reserves to fulfill the tasks of this year as well as all of the Eighth 5-Year Plan.

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**NEW REFORM COMMISSION BODY EXAMINES PRICES, WAGES**

Warsaw ZYCIE GOSPODARCZE in Polish No 20, 18 May 96 p 11

[Article by Marek Misiak: "Finding the Key: New Working Group in Action"]

[Text] Since the Commission on the Economic Reform began operation, it has been said at its plenary meetings, in the working groups, and in the corridors that prices and incomes, and their disequilibrium, are the basic threat to the reform. A great deal has also been written about this. As we know, it was not possible to wait for equilibrium before proceeding with the reform, because the reform is the only chance for balancing the economy on a lasting basis. At the same time, however, the extreme slowness in achieving equilibrium, much slower than assumed in economic plans, limits the possibilities for growth and reduces its social and economic effects. After 5 years in operation, the Reform Commission therefore decided to strengthen its composition with a new working group to deal with incomes and prices. Perhaps for similar reasons, another new Reform Commission working group was also appointed, for investments and the utilization of fixed assets, since in addition to the problems of economic disequilibrium there is perhaps no other sore spot in our economy like investments and the management of fixed assets. Prof Kazimierz Rys, who is known to the readers of ZYCIE GOSPODARCZE, became the chairman of the Working Group on Prices and Wages.

Opening the inaugural meeting of the working group (on 28 April), Franciszek Kubiczek, the secretary of the commission, stated that the main tasks of the working group this year include evaluating the instruments for carrying out the NPSG [National Socioeconomic Plan] for the years 1986-1990, and analyzing the formation of emoluments and the problem of closing the inflationary gap in the draft NPSG for 1986-1990.

The members of the working group had previously been sent for evaluation a document discussed on our pages: "Instruments for Guiding the Implementation of the NPSG for the Years 1986-1990." Also presented was a draft plan for the working group's work in 1986, which proposed, among other things, dealing with inflationary threats and the problems of countering them on the basis of the growth rate for incomes and prices contained in the assumptions of the NPSG, and evaluating the operation of the formulas for the formation of funds for emoluments at enterprises, in light of the growth rate for incomes and the courses planned for improving the structure of prices in the years 1986-1990. The experience of recent years has confirmed that it is not possible to expect success by fighting only against the manifestations of inflation. It is

necessary to eliminate its causes, step by step. That is how I understood the Kazimierz Ryc's opening statement.

"We should consider," he said, "how the tangles of inflation can be gradually unravelled, and what economic instruments should be used for this purpose, keeping in mind both the losses associated with the suppression of inflation and the losses caused by open inflation. The worst scenario that can threaten us would be one in which an increase in incomes is permitted during the next 2 or 3 years without a corresponding increase in supply, and later there is an attempt to restore the previous state of the market through drastically increased prices."

This threat--as it appeared from the discussion--will be the subject of the next meeting. The point of departure will be a study by the Institute of Finances (its authors are Marian Gorski and Kazimierz Ryc). It appears from the study that if we did not want to permit a deterioration in the state of the market, but at the same time kept the previous rate of the growth in nominal incomes, then the unavoidable increase in prices in 1986 would have to amount to 18 percent, in 1987 24 percent, in 1988 29 percent, in 1989 34 percent, and in 1990, it would have to go beyond the level of 41 percent. The authors therefore propose several different ways of proceeding that could avoid this type of cataclysm. We will leave this, however, for the report on the next meeting of the working group, which should take place, according to the schedule approved for its work, as early as the middle of May 1986.

Why, however, is a growth of nominal incomes still being permitted--higher than what is assumed in the plans and also higher than supply? A decisive role is played by emoluments for work in the socialized economy, which constitute more than half of the population's monetary earnings. It would be a simplification to reduce the answer to this question--which happens, unfortunately--to "insufficient discipline for wages" (see the report on the meeting of the working group discussed here in RZECZPOSPOLITA No 100, 24 April 1986, under the title of "Disciplining Wages an Urgent Necessity").

People's desire to recreate the level of their real wages from the years 1978-1981 is a complex social and economic phenomenon, associated with the very high range of oscillations in their level in the recent past, and ultimately with the considerably lower level of these wages in comparison with the end of the 1970's (in spite of the growth during the years 1983-1985). In one of the next issues of ZYCIE GOSPODARCZE, we would like to illustrate this at somewhat greater length with statistical data.

Kazimierz Rusinek, the vice president of GUS [Main Statistical Office], pointed out with concern the irregularities in the present formation of the structure of emoluments for work in the socialized economy. The differences in the level of emoluments between large social and professional groups and also enterprises are persisting and even growing, often without the increases being justified by economic and financial results, while at the same time, within the enterprises, wages have been flattened. The economic and financial instruments have not created conditions for raising wages in the enterprises as a result of a genuine improvement in their economic condition. There are enterprises that are raising emoluments and risking bankruptcy.

The statistics on emoluments during the first quarter of this year, and also the indications of the introduction of modified principles for taxation of a wage fund above the norm, confirm the concern of the vice president of the GUS. In the first quarter of this year, emoluments in the five basic sectors of the socialized economy, not counting wages from profits, were 18.4 percent higher than in the first quarter of last year (if wages from profits were included, this increase would amount to 20.9 percent), whereas an increase of only 12-13 percent was assumed in the annual plan for 1986.

The new formulas for taxation can thus--just as in the last years of PFAZ [National Vocational Mobilization and Retraining Fund]--bring many disappointments. Our knowledge of the introduction of the modified solutions is actually still fairly sketchy, but it is already known that Kazimierz Dzienio, the director of the Planning Commission's Working Group on Incomes and Employment, has stated that in over three fourths of the enterprises, two out of five possible taxation formulas have been selected: a threshold one (39 percent of the enterprises) and a growth-measurement one (37 percent of the enterprises). The rest were selected in unusual cases. There were few willing to use the share formula, although it creates a chance--through a direct relationship with the amount of profit--for strong interest on the part of the enterprises in economical management of the wage fund.

The Ministry of Labor, Wages, and Social Affairs is preparing to develop a broad analysis of the consequences of the tax that has been introduced, but as reported by Wladyslaw Jasinski, a department director in the MPPiSS [Ministry of Labor, Wages, and Social Affairs], it will not be possible to present this analysis to the members of the working group for 2 months.

W. Jasinski also expressed concern over the growth rate of emoluments in the economy during the first quarter of this year. There has been an avalanche of appeals from enterprises that do not want to agree with their parent bodies with respect to the selection of taxation formulas. The Ministry is said to have adopted the principle of a "negative opinion." There are many unclear questions, however. Many of them are associated--as in the case of the PFAZ--with the definition of the base from which the increase in the emoluments fund will be calculated. Based on the tax rules, no more than a 12-14 percent increase in emoluments should result. There are desperate ones, however (he called them the "suicide faction"), who raise wages in spite of everything. These desperate ones also include some of our industrial giants.

Since the growth rate of nominal emoluments during this entire year has been at a level close to their growth (not counting wages from profits) during the first quarter of last year, then in order to maintain a state of the market consistent with the assumptions of the plan (with other elements of the economy behaving as assumed), prices should also be increased by several percent more than the level defined in the plan.

Kazimierz Ryc, citing this part of the discussion, stated that during the first 10 days of June, the working group would discuss in detail the problems of the current formation of emoluments, and would try to assess the threat associated with the outflow of money.

The discussion of prices--in contrast to the discussion of wages--aroused less emotion, and was a bit reminiscent of a scientific symposium. Assistant Professor Bruno Gorecki and Dr Andrzej Welfe presented the results of research showing how changes in the prices of different groups of goods influenced the level of demand. The changes in food prices, as it appears from this research, are causing considerable changes in demand, not only in the food market, but also in the market for nonfood goods. A. Welfe favored maintaining relatively stable relationships between the level of incomes and the prices of alcoholic beverages.

The working group will return to the problems of price formation after the June discussion of wage trends. If prices are changed, it is necessary to take into account their consequences in various markets, not just in the markets for whose goods the prices are changed. Furthermore--as was clearly stated in the report from the Economic Consultative Council that was published on our pages (ZYCIE GOSPODARCZE No 16--it is also necessary to take into account the consequences of that particular choice of price structure for people's behavior not just as the purchasers of goods, but also as wage earners.

The elimination of the pressure of claims would require genuine interest on the part of enterprises in the economical management of production factors. The absence of such an interest is a result of too superficial implementation of the reform rules. The formulas for the taxation of an above-norm wage fund, in their present form, are unfortunately only a palliative in view of the lack of appropriate rules for the financial game that would force all enterprises to engage in economical management--all of them, including the giants. The flattening of wages within enterprises, as Prof Leszek Borcz emphasized, demonstrates that emoluments are not being taken into account as an element in the calculation of costs.

Similar problems were also discussed by Prof Remigiusz Krzyzewski. According to him, the main inflation-generating factors are reduced rates and payments from the budget to enterprises and other economic units. As a result, the excessive increase in wages is not covered by the results worked out by enterprises, and leads to excessive emission and inflation.

Another negative consequence of the excessive expansion of budget payments--along the way--is the attempt at a partial "deflection" of this through the budget and through an increase in income tax rates, which in extreme cases may lead to a decrease in enterprises' interest in increased profits.

What is the way out of this vicious circle? The working group--in accordance with the plan it has adopted--wants to deal as well with subsidies and reduced rates in the second half of the year, and also the credit system. Will it, however, have enough persistence and strength to deal consistently with so many complex problems, with which the entire Commission on the Reform, and others, have not been able to cope?

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## NEGOTIATED PRICE LEVELS EXAMINED

Warsaw RZECZPOSPOLITA in Polish 9 Jun 86 p 5

[PAP article: "Monitoring Contract Prices"]

[Text] On 7 June, there was a regular meeting of the group appointed by the Government Presidium to investigate and assess the correctness of increases in contract prices by economic units.

It was presented with reports from the Ministry of Finance and the Ministry of Domestic Trade and Services on the results of the second stage of the monitoring of the rules for increases in contract prices and on the influence of trade upon the level of negotiated prices. In May 1986, the treasury chambers monitored contract prices at 120 economic units producing industrial goods such as furniture, clothing, knitted goods, and metal and chemical products. The enterprises monitored raised a third of the prices for the product ranges they produced, i.e. less than the enterprises monitored in March, which raised half of the prices.

There was a marked decrease in the size of the increases in individual prices. Over 45 percent of the prices were increased by 10 percent or less, while previously such increases were one fourth of the total. There was a substantial decline in the proportion of increases exceeding 25 percent. Cases of producers using price increases to cover the consequences of their own inefficiency are still being encountered, however.

The group, which was chaired by Jozef Kozioł, considered it necessary to continue the monitoring and observations of changes in contract prices, which can be changed by enterprises, but while preserving the legal and economic price formation mechanisms resulting from the principles of the reform. It was also considered necessary to strengthen the role of trade units in determining the level of contract prices.

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## INTEREST IN WORKER PARTNERSHIPS GROWS

Warsaw RZECZPOSPOLITA in Polish 11 Jun 86 pp 1,5

[Article by B. P.: "Increase in the Activity of Worker Partnerships"]

[Text] It is apparent from the reports and observations of employment offices that plant worker partnerships are developing successfully in terms of their numbers, and are also expanding the sphere of their activities.

This became possible as a result of an amendment last October to the regulations, according to which partnerships can be organized in all sectors of the national economy and can undertake nearly every type of production.

It is believed that this liberalization of the regulations contributed to surmounting personnel difficulties and bottlenecks in production at more than one plant. Furthermore, the partnerships create an opportunity to help out the household budget, and supplement a salary or pension. Here are some stories about the development of this form of employment in several provinces.

In the Szczecin province, according to Teresa Pacula, the director of the Provincial Employment Office, the number of worker partnerships has grown several times over in comparison with 1985, and the value of the production obtained in this manner has also been multiplied. The average monthly additional earnings of a member of a partnership amount to 12,000 zloty, and the productivity of labor is also at a higher level than before: for every zloty paid to a member of a partnership, there is production worth 8 zloty. Partnerships are mainly engaged in production for the market, along with the semimanufactured products required for it. Their activity frequently serves antiimport purposes: repairs and the salvaging of machinery and spare parts for the machinery. Partnerships engaging in designing and in the assimilation of technical progress are also beginning to function more and more frequently.

The workers at the Domestic Trade Transportation Enterprise in Szczecin came forward with an interesting initiative. On free Saturdays, using the vehicles not in use then, they provide moving services to the public. Partnerships at the Gas Plant in Szczecin have also engaged in service activity. They draft technical designs for installations in buildings, primarily in response to orders from private individuals, who until recently had a great deal of difficulty in placing such orders at design bureaus.

According to a report from the Provincial Employment Office in Katowice, there has also been a considerable increase in that area in the number of worker partnerships; this is due, among other things, to a widely conducted propaganda campaign. This form of employment was decisively popularized during this year's nine labor exchanges. According to the statistics for the first quarter of this year, the number of people working in the partnerships was about 3,000. The earnings of the members of the partnerships vary, but the average for this year is about 9,000 a month. At some enterprises, it is even as high as 20-25 thousand zloty. A large number of partnerships--and not just in the Katowice province--are engaged in casual and seasonal labor, for example in the dairy industry, agricultural and meat processing, the manufacture of cold beverages, etc.

Among the more interesting, one may cite the Bytom Housing Cooperative, where the partnerships engage in apartment repairs and maintenance. At PKS [State Motor Transport] branches, they undertake repairs of the vehicle fleet, for example during periods of an increase in trips. Other extremely useful activities include the repair and modernization of water pipelines and the sewage network, and the drilling of wells, i.e. services on behalf of the communal economy that are in short supply today but are very necessary.

According to an assessment by the employment service in the Olsztyn province, last year's liberalization of the regulations intensified the activity of worker partnerships in that province. This includes repairs to buildings, machinery, and plumbing, often ventures undertaken on a large scale and valuable in view of the damage to plants' fixed assets. Thus, at the Energy Plant in Olsztyn, partnerships undertook the replacement of insulators, at Bumar in Magrowo they were involved in maintenance of the roof and production shops, and at the Agricultural Machinery Factory in Dobre Miasto numerous partnerships were engaged in repairs to the warehouses and the railroad siding, among other things. At the Dairy Cooperative in Nidzica, the work of the partnerships consists of repairing the complicated water and sewage plumbing.

It appears from the reports from the employment offices that unfortunately retired people, annuitants, and women on leave to raise children are still not as active in worker partnerships as anticipated.

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ECONOMY

POLAND

STEEL MILL PRODUCTION JAN-MAY 86

Warsaw RZECZPOSPOLITA in Polish 10 Jun 86 p 2

[PAP article: "Steady Work in Metallurgy"]

[Text] The "ferrous" metallurgy enterprises are successfully carrying out this year's tasks. After the first 5 months of this year, the production of many metallurgical products is higher than planned, including: coke, 1.3 percent higher; pig iron, 3 percent; unwrought steel, 1.6 percent; steel pipes, 2.1 percent; cold-rolled sheet metal, 2.7 percent; and rolled products, 0.3 percent.

There was also an improvement in supplying customers with 91 types of products of which there had previously been a shortage, and the production of which was covered by contracts concluded between the steelworks and the metallurgical and machinery industry ministries. This allowed alleviating the supply difficulties caused by limited import possibilities.

On the other hand, the production plan for tin-plated and galvanized sheet metal was not fully met, in view of the assembly line repairs performed during this period at the Lenin and Florian steelworks.

The metallurgical industry's achievement of generally favorable production results is above all due to the steady work of a definite majority of the metallurgical plants, and is also a consequence of the fulfillment of the precongress obligations assumed by the metallurgy work forces.

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## 1985 AUTO EXPORT PICTURE DESCRIBED

Warsaw AUTO-TECHNIKA MOTORYZACYJNA in Polish No 5, May 86 pp 6-7

[Article by Andrzej Wladyka, director of the Foreign Trade Agency Polmot SA:  
"Automobile Industry Exports in 1985"]

[Text] The export performance of the automobile industry in 1985 was very good. It certainly surprised those who saw no sense in investing in this industry and who, at the beginning of the 1980's, subjected the development plans, especially those for the Automobile Factory and the Compact Car Factory, to sharp criticism. In 1984, as part of a discussion of the selection of export areas in the electro-mechanical industries, one specialist in foreign trade demanded an end to the production of passenger cars at the Automobile Factory and a switch to the production of construction equipment.

In the meantime, in 1985, the automobile industry exceeded its export goals by a large surplus in both currency zones, displaying high export growth. The export performance to the second payments area was particularly auspicious. This fact must awaken special satisfaction because of the value of these exports for the national economy with its huge debt burden. We should remember that after the record exports of 1980, when Polmot exported 358.4 million dollars worth of goods to dollar zones, the next 3 years showed a decline in exports. Only in 1984 was this pattern broken.

In 1985 the value of exports by the automobile industry to both currency zones reached 59.2 billion zloty, which is 168.2 percent of the previous year's exports. (Footnote) (These data include the total exports by the stock company Polmot, which were 49.8 billion zloty and of the Compact Car Company which exported 9.6 billion zloty worth of goods. Further, Polmot exports automobile products and provides service and garage equipment.) Exports to the second payments area grew even more. The results for 1984 and 1985 should be expressed in U.S. dollars since this permits us to compare the data without the effects of changes in exchange rates. While exports were \$93.6 million, in 1985 they rose to \$179.5 million, for an increase of 181 percent.

The portion of automobile industry exports to the second payments area constituted 10.5 percent of the total exports by the Ministry of Metallurgy and Machine Building Industry. The automobile sector is the largest exporter, significantly exceeding other industries.

The export performance by the automobile industry must be evaluated against the background of the extremely difficult external conditions of intensifying competition on markets and of the domestic, a long-term slide in investment and a lack of new passenger car models.

Nevertheless, automobile exports to many countries has achieved a leading position in the total value of exports, or in comparison with other branches of the electro-machine industry. This applies especially to such countries as the Chinese People's Republic (exports of the full range of passenger cars, trucks, and buses), The Hungarian People's Republic (the Fiat 126p and 125p, Star trucks and cooperatively produced products), Italy (Fiat 126p), Great Britain (the Polonez and Fiat 125p), Egypt (an assembly plant for the Polonez, Zuk and Nysa light trucks and Autosan buses). Automobile exports play a significant role in trade with the USSR. Polmot ships a broad assortment of finished products and cooperatively produced goods. Among them are Zuk and Nysa light trucks, service centers, trailers, service stations and brake systems licensed by Westinghouse for trucks, cooperatively produced goods for passenger cars, etc. The total value of exports for 1985 was 231.6 million rubles, an increase over last year.

On other markets like Belgium, France, Denmark, Yugoslavia, automobile exports constitute an important item in Polish electro-machine exports.

In 1985, there was a good change in the structure of export assortments. There was a significant increase in the total trade of commercial vehicles such as trucks and tractors produced by the Truck Factory in Starachowice and the Jelcz Automobile Works and buses produced by the Sanok Automobile Factory and the Jelcz factory. This increase was primarily in the second payments area, where it increased from 13.2 percent in 1984 to 32.5 percent in 1985.

In previous years the low exports by the truck factories (given their productive capacity) caused considerable concern and was analyzed by the Supervisory Council and the Board of the stock company Polmot. The changes made led all producers of assembled commercial vehicles to become important exporters.

The export of both passenger car factories increased significantly although their percentage of total exports declined slightly due to the strengthening of the truck and bus factories' position as mentioned above. The Automobile Factory in Zeranie set new records, particularly due to increased orders from China and the improvement of exports to some West European markets (Belgium, Finland, Denmark). In 1984 exports amounted to 18,692 units, of which 17,624 were sent to the second payments area while in 1985, they were 30,048 units and 27,100 units respectively. For the first time, the number of Polonez vehicles shipped exceeded the number of FSO 1500 vehicles shipped. This happened because of the large Chinese order for these vehicles, although there was also increased interest in this model in Western Europe at the expense of the FSO 1500. In order to maintain the high level of exports, it is becoming increasingly urgent to produce a new model to replace the FSO 1500.

The Compact Car Factory in Bielsko-Biala increased its exports from 42,337 units in 1984 (35,475 to the second payments area) to 59,936 units and 52,134 respectively (including 44,598 units to Fiat). This is certainly an impressive achievement that should be credited to the modernization, the so-called "face lifting," done in 1984-1985. The West European customer is very sensitive to changes in the external appearance of an automobile and its continuing modernization. These improve its sales potential. The past year confirmed that the Compact Car Factory built in 1971 is a good example of the international division of labor. This factory has specialized in the production of an automobile that is not in great demand on Western European markets (currently it has reached its greatest sales potential), but since there is little competition in this class the prospects for long-term exports are excellent.

Thus, the current export formula has passed the test and should be continued in the future.

Despite sharp competition and their dated products, we should be very satisfied that both car factories have achieved high export growth to the second payments area (the Automobile Factory 181 percent; the Compact Car Factory 147 percent). As far as the other producers are concerned, the continuing high level of exports to the first payments area, especially to the USSR, must be emphasized. These include the Mechanical Equipment Plant in Praszka (producer of brake systems for trucks) and the Techmaprojekt Enterprise (supplier of service stations). The Truck Factory in Lublin and the Light Truck Factory in Nysa maintained last year's level of exports.

Total exports of light trucks in 1985 were 13,182 units (Truck Factory Lublin-7,735 units, Light Truck Factory Nysa-5,447 units). The decline in shipments of the CKD series from the Truck Factory in Lublin to the Eltramco assembly plant in Egypt, over which the factory had no control (license fee problems), was a negative sign.

There were significant changes in the geographical structure of the exports. The most important event was the conclusion of a large contract with the Chinese which made the Chinese second only to the USSR as a market for automobile products and the largest market in the second currency zone. As mentioned above, it is also significant that the range of supplied products is broad and six automobile factories are participating.

In China, the Polish exporter's most important task is setting up a technical service system. In view of the past year's experience, it is a most demanding market and in many respects more demanding than Western European markets. There are a number of causes: distribution problems that force lengthy storage in ports, a poor service network, inexperienced drivers, the dispersion of the automobiles over the entire country, bad roads and tropical conditions in the southern portion of the country with which our industry has little experience.

These characteristics required unconventional approaches to many problems, especially training and setting up a service network. The maximum care for this market and skillful solution of problems as they occur is essential for us to establish a lasting presence in China. Great weight has been attached to establishing a lasting relationship with the Chinese automobile industry through cooperative production. Talks on this issue are underway, and the modernization of a factory in northern China is the most advanced project.

As regards other geographical changes in automobile exports, we should note the strengthening of Polmot's and the Automobile Factory's position in Western European markets (Belgium, Denmark, or Finland, for example), which were among the Automobile Factory's largest a few years ago. The increase in cooperative exports to Steyr-Daimler-Puch in Austria by the Jelcz Automobile Works is also noteworthy.

Among the minuses, we should note a decline in cooperative trade with Yugoslavia that began in 1967 between Polmot and the Automobile Factory on the one hand and Crvena Zastava on the other.

Domestic exports by Polmot in 1985 were 30,432 units, including 21,670 of Polish production (Automobile Factory-7,633 units and the Compact Car Factory-14,037 units). They produced an income of \$58.4 million and 4,505 million zloty. The year 1985 brought an improvement in the profitability of the automobile. While changes in exchange rates and the depreciation of the dollar played a role (the majority of exports are in national currencies: Swiss francs, lire, pounds), directing sales to more profitable markets and raising prices on passenger cars were not without significance. The assortment and geographical structures should be maintained in 1986 and beyond.

All factories producing final products (passenger cars, light trucks, trucks, and buses) and cooperating plants should participate in exports.

In exports by enterprises not in the Association of the Automobile Industry, exports of service stations, especially through Techmaprojekt will continue to be important. Exports of other products like cement haulers and service and garage equipment can also be increased.

The dominant markets will remain the USSR in the first payments area and the People's Republic of China in the second. The Hungarian market and the markets of Western Europe (especially Great Britain, France, Belgium, Denmark, Finland, and Egypt) will also be important. Polmot's major task will be to increase its exports to the developing countries. Future exports will depend significantly on modernizing the industry and the production of new vehicle models. This is particularly true of passenger cars, which have undergone a tremendous "model acceleration" in recent years, and large sums are being marked for the development of this industry both in the capitalist and socialist countries (USSR, CSSR, the GDR, Yugoslavia). Thanks to the resolutions adopted by the government presidium concerning the development of the Automobile Factory and the Compact Car Factory and the production of new models, the formal conditions for action to conclude appropriate contracts with foreign partners have been created.

Polmot and the two factories conducted numerous talks in this direction in 1985 and have selected some partners. A contract with Fiat to restyle the 126 was signed, and a purchase credit of \$50 million on favorable terms was signed. The Polish side aims to conclude an agreement on the production of a newer model both at the Automobile Factory and the Compact Car Factory as soon as possible. Completion of this project is being hampered by the West's continuing policy of credit restrictions against Poland.

It is impossible to complete negotiations without receiving credits to finance both undertakings. Another problem is self-financing the projects either through guaranteed purchases or appropriately wide-ranging report rights in the contracts.

13021/8309  
CSO: 2600/490

ECONOMY

POLAND

#### AUTO IMPORTS FROM SOCIALIST COUNTRIES TO INCREASE

Warsaw ZYCIE WARSZAWY in Polish 6 Jun 86 p 2

[Text] Imports from the socialist countries are expected to be significantly greater this year than in 1985. If the plans of the Polmot Company are met, it will purchase 25,000 automobiles or 7 percent more than last year. This applies particularly to Soviet automobiles. Poland is supposed to purchase about 7,000 Lada 2105 and 21072 models or about 4,000 more than last year.

We should note that the Lada 21072 is a newer model and our Soviet partners began selling it to Poland only last year. These vehicles are equipped with more comfortable seats, wipers on the headlights and seat belts. These automobiles have a 1300 cm<sup>3</sup> engine. Most of the Ladas, however, are to be sold through domestic export. In the coming year, as is currently planned, we will purchase about 3,000 Lada 21072's. During the current year the USSR is to supply us with 1,000 Zaporozhetse's and 760 UAZ 469 off-road vehicles, used in Poland by geologists and power industry workers. We will also receive 350 Volga 2410's. Polmot has also stated that the shipments have been received on schedule.

We will import 8,400 Wartburgs this year from the GDR, 800 more than in 1985. The majority of these vehicles will, however, be sold through domestic export. Execution of the contract begins this month. Since May, on the one hand, supplies of Trabants have been arriving, and we will buy a total of 3,700 of these vehicles this year, including 500 adapted for invalids. Last year Polish consumers received 4,600 of these vehicles.

Due to environmental regulations in the new traffic law, this was supposed to have been the last year that vehicles with two-cycle engines would be imported from the GDR. However, due to the demand in Poland, imports to these vehicles are to continue during the coming year. It is estimated that 6,000 Wartburgs and 3,700 Trabants, including 500 adapted for invalids, will be purchased.

It is still difficult to predict the situation with imports from Czechoslovakia, for no contract has been signed. The purchase of 3,000 Skoda 105S and 105L's is expected. A large portion of them are to be sold through domestic export. Last year there were no imports from Czechoslovakia.

Present indications are that import of the Romanian Dacia 1310 will be discontinued. Last year we imported 500 of these vehicles, but no contract has been signed for this year. We will receive 1,500 Aro off-road vehicles primarily for businesses. Last year we bought 2,000 of them.

Despite this increase in imports, the demand for passenger cars from the socialist countries will still be far from satisfied. This applies especially to the Lada.

13021/8309

CSO: 2600/490

## DATA GIVEN ON INCOME OF AGRICULTURAL HOUSEHOLDS

Belgrade EKONOMSKA POLITIKA 21 Apr 86 pp 29-30

[Article by V. Karakasevic: "More Steadfast in Inflation"]

[Test] The depressive policy adopted toward agriculture and private farming in Yugoslavia has led to significant demographic and economic changes in rural households. Young people have suddenly left for the cities and industrial centers, for the public and non-agricultural sector, the public sector which has provided precious and cost-free health insurance for the family. Similarly, many persons who have remained in the rural household have found outside jobs. Many so-called mixed households have thus come into being in Yugoslavia. From the social viewpoint they are the most secure ones for the population, but from the economic viewpoint they are the most unproductive ones, in both agriculture and other activities. It has long been a maxim in our country that the countryside loses a good farmer and industry gains a poor worker. However, this is a consequence of a political and economic system built in isolation from the working of the laws of economics and the elementary economic logic followed as a guide by the rural population. These laws and this logic bind the farmer equally to a job in the public sector and to his own farm. So the situation now is that monetary income from the farm represents only one-third of the disposable income of the rural household. Another third is made up of money earned by work outside the farm, mainly from employment and social welfare payments, and the last third by other monetary receipts (from sale of real estate and implements, loans, dowries, etc.), household consumption in kind, and so forth. In individual regions of the country, income from work done outside the farm represents the dominant portion of income in the rural household budget (46 percent in Montenegro, 49 percent in Bosnia and Herzegovina, 52 percent in Slovenia, etc.).

The steep rise in the prices of food and food products over the last 5 to 6 years has convinced the urban population that the income of farmers has increased sharply and that their economic situation and personal standard of living have abruptly improved. There are unquestionably cases in which individual farmers have become affluent, and there are farm households with annual incomes of several tens of millions of dinars. On the whole, though, farm household income barely meets the needs of a modest life style for the members of the household and of farm capital replacement. And the fact that

in recent years farmers have seemed to bear up better under the high current inflation rate may be explained by the circumstance that they have not dared engage in specialized commodity production but grow a variety of crops. In short, they make up for the damage suffered in other areas, they themselves producing most of the food they need, owning their own homes, etc.

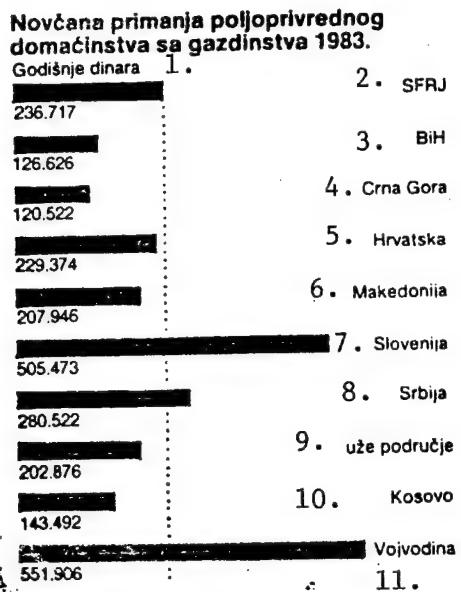
Major regional differences. The most recent processed data on rural household incomes date back to 1983. Under more stable economic and other conditions, they would be reliable values on which to base long-range findings. Since such conditions do not prevail in Yugoslavia, however, and especially not in the agricultural sector, only if considerable caution is exercised may the results of 2 to 3 years ago be used as indicators of current relationships. In 1983, the monetary income of the average, purely agricultural Yugoslav household owning a farm amounted to 236,717 dinars. The household earned 211,592 dinars from the sale of farm products and livestock. This amount included 52,902 dinars from the sale of grain, 9,108 from industrial crops, 15,429 from vegetable crops, 1,709 from stock feed crops, 8,178 from fruit growing, 4,343 from grape growing, 120,923 from livestock raising, 3,300 dinars from sale of medicinal plants, wild game, wood, lime, etc., and 423 from sale of craft products. Among other items, the income from farming with livestock and machines was 7,485 dinars, 1,641 from leasing land, buildings, machinery, etc., 3,094 from sale of land, buildings, machinery, and implements, 5,117 from credit, and 4,064 dinars from other sources.

All the foregoing represents the income of the average Yugoslav rural household, not counting the portion earned outside the farm. This average covers a wide range of differences, which unquestionably are greater than those between members of the population employed in non-agricultural jobs. In 1983, the highest farm income was that of a rural household in Vojvodina, 551,906 dinars. This was 4.57 times higher than rural household income in Montenegro, 120,522. The rural household in Slovenia had an income of 505,473 dinars, and in Croatia 229,374, while the lowest income, next to that of Montenegro, was that of rural households in Bosnia-Herzegovina (126,626) and Kosovo (143,492).

By way of comparison, a worker household with 4 members (approximately the same number as in the rural household) had an average annual income of 311,688 dinars, not counting credit, loans, and savings. The highest annual income was that of worker households in Slovenia (451,656 dinars), and the lowest in Kosovo (236,028 dinars).

Sources of income. Just as the level of farm household income varies, so also the structure of this income differs. Both differences are due, of course, to the different pedological, climatic, and other geographic conditions in individual regions, but also to economic circumstances, resourcefulness, education and culture, customs, and other socioeconomic characteristics of the rural population in the individual republics, provinces, or smaller administrative areas. Income from crop growing predominates in Vojvodina (55.3 percent), Macedonia (45.1 percent), and Kosovo (43.7

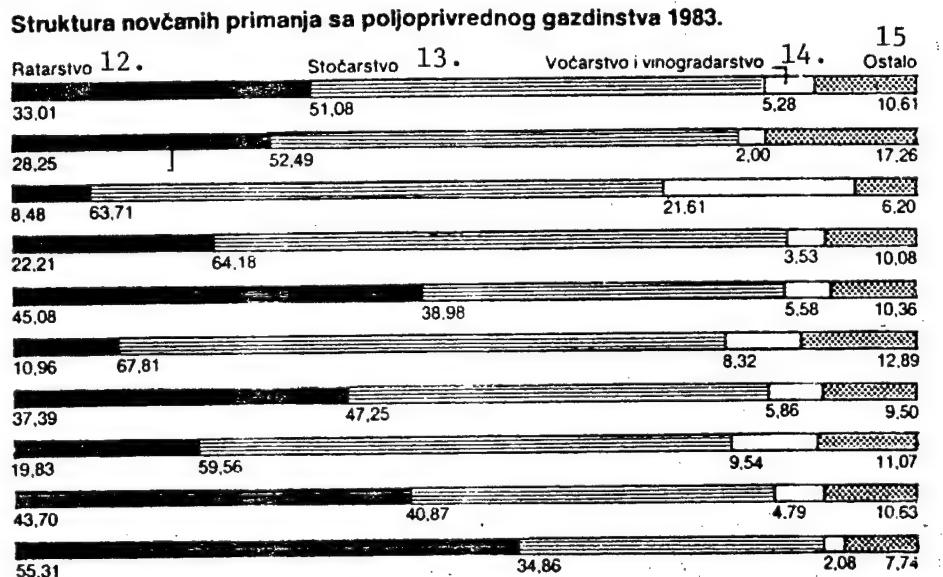
## Monetary Income of Farm Households from Farming 1983



Ekonomska politika, 1777, 21. april 1986.

Key:	(1) Annual amount, dinars	(7) Slovenia
	(2) SFR Yugoslavia	(8) Serbia
	(3) Bosnia & Herzegovina	(9) Without provinces
	(4) Montenegro	(10) Kosovo
	(5) Croatia	(11) Vojvodina
	(6) Macedonia	

## Structure of Monetary Income From Farm Households 1983



Key:	(12) Crop growing	(14) Fruit and grape growing
	(13) Livestock raising	(15) Other

percent). Farm households earn the bulk of their income from livestock raising in Slovenia (67.8 percent), Croatia (64.2 percent), Montenegro (63.7 percent), Serbia less the provinces (59.6 percent), and Bosnia-Herzegovina (52.5 percent). Fruit growing accounts for the greater part of farm household income in Montenegro (21.6 percent). Such comparisons are significant only as a basis for analysis of income structure. For instance, the 63 percent of income from livestock raising in Montenegro represents only 76,791 dinars per household, while the 35-percent share of livestock raising in the income of the household in Vojvodina amounts to 192,418 dinars.

Out of its total monetary income, the rural household in 1983 spent 123,204 dinars or 52 percent on the farmstead (54 percent in Vojvodina, 56 percent in Slovenia, etc.). A very small portion of expenditures for the farmstead was represented by investment in farm expansion (purchase of land and livestock, building of structures), 15.5 percent, while the largest portion, 62.7 percent of total farmstead expenditures, were current expenses for purchase of seed, livestock feed, fertilizers, weed killers and pesticides, fuel, minor tools and implements, etc. Farm households paid out 6.2 percent of the total farmstead expenses for taxes and insurance (the minimum being 3.7 percent in Slovenia, and the maximum 8.5 percent in Macedonia).

Lastly, rural households spent about 42 percent of money earned on the household and to meet the individual needs of household members. Of this amount, 15 percent was spent on food. At the same time, a four-member worker household spent about 35 percent of its income on food. The rural household spent 5.5 percent on clothing and footwear, and the worker household about 8 percent of its income. Expenditures for household furnishings and appliances for the rural household absorbed about 3.5 percent of monetary income, approximately as much as in the worker household. In both kinds of households, around 2.5 percent of income was spent on hygiene and health care. The rural household spent about 4.5 percent of earnings on housing, heating, and lighting, and the worker household about 9 percent.

And while workers and farmers from time to time cast envious glances at the portions on each other's plates, the statistical data show that the majority in both categories live near the borderline of minimum subsistence.

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CSO: 2800/267

MILITARY

BULGARIA

REPORTS COVERING VISIT OF SOVIET MILITARY DELEGATION

Arrival, Description of Soviet Delegation Leader

Sofia NARODNA ARMIYA in Bulgarian 16 Apr 86 p 1

[Unattributed article: "Today Arrived an Official Delegation From the USSR Armed Forces"]

[Text] At the invitation of the Member of the Politburo of the BCP Central Committee and Minister of National Defense, Army Gen Dobri Dzhurov, and the Member of the BCP Central Committee and Chief of the Main Political Directorate of the People's Army [GlPUNA], Col Gen Mitko Mitkov, today an official delegation arrived from the USSR Armed Forces and led by the member of the CPSU Central Committee and Chief of the Main Political Directorate of the Soviet Army and Navy, Army Gen Aleksey Lizichev.

Aleksey Dmitriyevich Lizichev was born on 22 June 1928 in Vologda Oblast. He has been an army general since 1986. He has been a member of the CPSU since 1949. He has been in the Soviet Army since 1946 and has completed the Military Political Academy imeni V. I. Lenin in 1957. From 1958 to 1965 he was in Komsomol work in the military districts and the Main Political Directorate of the Soviet Army and Navy. From 1965 to 1985, he held responsible positions in political bodies of the Soviet Army and Navy.

Since the month of July 1985, Army Gen Lizichev has been the Chief of the Main Political Directorate of the Soviet Army and Navy. He was a delegate to the 23d, 24th, 25th, 26th and 27th Congresses of the CPSU. Since the month of March 1986, he has been a member of the CPSU Central Committee. He was a deputy to the RSFSR Supreme Soviet, 9th and 10th sittings.

From March 1984, he has been a deputy to the USSR Supreme Soviet.

He has received the Orders of the Red Banner, Red Star, for Service to the Motherland in the USSR Armed Forces, 1st and 3d Degrees, medals, as well as foreign orders and medals.

## Welcoming Ceremonies for Soviet Delegation

Sofia NARODNA ARMIYA in Bulgarian 17 Apr 86 pp 1, 3

[Article by Col Rangel Zlatkov: "Military Fraternity and Cooperation"]

[Text] Upon the invitation of the Member of the Politburo of the BCP Central Committee and Minister of National Defense, Army Gen Dobri Dzhurov and the Member of the BCP Central Committee and Chief of the GLPUNA, Col Gen Mitko Mitkov, yesterday an official delegation arrived in our country from the USSR Armed Forces and led by the Member of the CPSU Central Committee and Chief of the Main Political Directorate of the Soviet Army and Navy [GlavPU], Army Gen Aleksey Lizichev.

At the Sofia Air Terminal the delegation was met by the head of the Social and National Security Section of the BCP Central Committee, Col Gen Velko Palin, the Chief of the GLPUNA, Col Gen Mitko Mitkov, the deputy chiefs of the GLPUNA and generals and officers from the BNA [Bulgarian People's Army].

Also there was the extraordinary and plenipotentiary ambassador of the Soviet Union to our nation, Leonid Grekov, the military, air and naval attache under the USSR Embassy to Bulgaria, Maj Gen Givi Ordzhonikidze.

Also present was the representative of the commander-in-chief of the Joint Armed Forces of the Warsaw Pact countries to the BNA, Col Gen Aleksandr Zvartsev.

Pioneers presented flowers to the guests.

The afternoon at the Ministry of National Defense [MNO] was taken up with business meetings.

The delegation of the GLPUNA was led by the Chief of the Directorate, Col Gen Mitko Mitkov.

The delegation of the Soviet Armed Forces was led by the Chief of the GlavPU, Army Gen Aleksey Lizichev.

Col Gen Mitko Mitkov welcomed the guests on behalf of the Member of the Politburo of the BCP Central Committee and Minister of National Defense, Army Gen Dobri Dzhurov, and on behalf of the Bureau of the GLPUNA and wished them a pleasant and successful stay on hospitable Bulgarian land. He informed them of the unceasing activities in the country and in the BNA to carry out the decisions of the 13th BCP Congress, as well as the daily, effective, fruitful and timely party political work which encompassed all sectors of army life.

The Chief of the GlavPU, Army Gen Aleksey Lizichev in turn informed the Bulgarian hosts of the activities in the Soviet Union and in the Armed Forces to carry out the decisions of the 27th BCP Congress, of party political work as well as certain other problems in the life of Soviet soldiers.

After the business-like discussion meeting, the guests laid a bouquet of flowers in front of the Mausoleum and paid honor to the sarcophagus of the leader and teacher of the Bulgarian people, Georgi Dimitrov.

The Member of the Politburo and Secretary of the BCP Central Committee, Yordan Yotov, welcomed the delegation of the USSR Armed Forces led by the Member of the CPSU Central Committee and Chief of the GlavPU, Army Gen Aleksey Lizichev.

A meeting which was held in a cordial, comradely situation was attended by the Chief of the Social and National Security Section of the BCP Central Committee, Col Gen Velko Palin and the Chief of the GLPUNA, Col Gen Mitko Mitkov.

Here also was the extraordinary and plenipotentiary ambassador of the USSR to Bulgaria, Leonid Grekov.

The Soviet military delegation was received by the Member of the Politburo of the BCP Central Committee and Minister of National Defense, Army Gen Dobri Dzhurov, who welcomed the dear guests on behalf of the men and commanders of the BNA. The meeting was held in an exceptionally warm and cordial atmosphere and was turned into a vivid manifestation of the combat friendship between the BNA and the Soviet Armed Forces.

The meeting was attended by Col Gen Mitko Mitkov. Also here was the representative of the commander-in-chief of the Joint Armed Forces of the Warsaw Pact countries to the BNA, Col Gen Aleksandr Zvartsev, and the military, air and naval attache at the Soviet Embassy in Bulgaria, Maj Gen Givi Ordzhonikidze.

The First Deputy Chief of the GLPUNA, Lt Gen Ivan Bonev, read an order of the minister of national defense awarding the members of the Soviet military delegation the following medals: For Services to the BNA to Army Gen Aleksey Lizichev while the remaining members received For Strengthening Fraternity in Arms. Army Gen Lizichev expressed thanks for the decorations.

The delegation of the USSR Armed Forces laid a wreath before the Monument to the Unknown Soldier and before the Monument to the Soviet Army in the capital.

In the evening an official dinner was given in honor of the Soviet military delegation on behalf of the Chief of the GLPUNA, Col Gen Mitko Mitkov. It was attended by Army Gen Dobri Dzhurov, Col Gen Velko Palin, the deputy ministers of national defense, generals and officers of the BNA.

The dinner was attended by Army Gen Aleksey Lizichev and the remaining members of the Soviet military delegation.

Present were the extraordinary and plenipotentiary ambassador of the Soviet Union to Bulgaria, Leonid Grekov, the representative of the commander-in-chief of the Joint Armed Forces of the Warsaw Pact countries to the BNA, Col Gen Aleksandr Zvartsev, the military, air and naval attache of the Soviet Union to our country, Maj Gen Givi Ordzhonikidze.

A musical program was performed.

The first day of the visit by the official delegation of the USSR Armed Forces was carried out in a creative and business-like situation, in a spirit of unshakable combat fraternity and cooperation. The emissaries of the Soviet military were received most cordially as blood brothers. The meetings and discussions on Bulgarian land became an effective school for exchange of opinions on carrying out the 13th BCP Congress and the 27th CPSU Congress and the instructions of the first party leaders of the two countries, Comrades Todor Zhivkov and Mikhail Gorbachev, concerning the further strengthening, enrichment, widening and deepening of friendly ties in all areas between the BNA and the Soviet Armed Forces as well as for exchanging experience in the area of party political work in the fraternal armies.

#### Second Day of Delegation Visit

Sofia NARODNA ARMIYA in Bulgarian 18 Apr 86 pp 1, 3

[Article by Col Rangel Zlatkov: "In a Spirit of Unity and Military Friendship"]

[Text] Pleven, 17 April (by telephone from our special representative). Rich in events and full of intense business-like work was the second day of the visit to our country by the delegation from the USSR Armed Forces led by the Member of the CPSU Central Committee and Chief of GlavPU, Army Gen Aleksey Lizichev. The delegation was accompanied by the Member of the BCP Central Committee and Chief of GlPUNA, Col Gen Mitko Mitkov.

Early in the morning the guests landed at the airport in Dolna Mitropoliya, Pleven Okrug. They were met by the First Secretary of the BCP Okrug Committee in Pleven, Kuncho Kunev, party and state leaders from the okrug and city, generals, officers and cadets from the Georgi Benkovski VNVU [Higher People's Air Force School]. Pioneers presented flowers to the guests.

In the building of the okrug party committee a meeting was held between the Soviet military delegation and the party and state leadership of Pleven Okrug. Kuncho Kunev described to the guests and those accompanying them the historic past of the city of Bulgarian-Russian friendship, the enthusiasm of the workers to carry out the decisions of the 13th Party Congress and the diverse instances of fruitful Bulgarian-Soviet friendship. The Soviet guests were presented with commemorative souvenirs on behalf of the okrug party committee.

After this the guests visited the Khristo Botev NShZO [People's Reserve Officer School]. Girls in national costumes greeted them according to the traditional Bulgarian custom with bread and salt. Down a line of students, the Soviet brothers in arms headed to the school headquarters. There a meeting was held with the command and the political section where Col Slaveyko Dimitrov, the chief of the school, acquainted the guests with the life, training and activities of the future BNA commanders. The envoys of the great Soviet Army examined with interest and studied the training facilities and laid flowers before the monument to the school's patron, the revolutionary poet Khristo Botev.

An impressive meeting of Bulgarian-Soviet military friendship was held. Taking their places on the rostrum were Col Gen Mitko Mitkov, Kuncho Kunev, party and state leaders from the okrug and city and BNA officers. Here also were Army Gen Aleksey Lizichev and the remaining members of the Soviet military delegation. A band played the national anthems of the Soviet Union and Bulgaria. The Chief of the Khristo Botev NShZO, Col Dimitrov, opened the meeting and turned the floor over to Col Gen Mitko Mitkov who spoke stirringly of the unbreakable friendship between the CPSU and the BCP, the BNA and the Soviet Army, between the two fraternal peoples and of the unceasing work in the nation and the army to carry out the decisions of the 13th Party Congress.

In his speech, Army Gen Aleksey Lizichev took up the dedicated work of the Soviet nation and the Armed Forces to carry out the decisions of the 27th BCP Congress and of the fraternity and unity between our fraternal armies.

The senior student Chingarov made a return speech in which he assured the Soviet brothers in class and arms that our mutual friendship is pure, holy, unbreakable and eternal.

After the meeting, Army Gen Aleksey Lizichev planted a young pine tree and along a line of students left the area.

The party and state leadership of the okrug gave a lunch in honor of the Soviet military-political delegation.

The guests laid flowers before the eternal flame of the ossuary mausoleum. They viewed the Panorama of the Liberation War and the sights of the city.

Each meeting with the Soviet combat brothers in class and arms turned into a spontaneous expression of our sincere and unbreakable friendship and complete unanimity on all questions.

#### Third Day Visit to Plovdiv

Sofia NARODNA ARMIYA in Bulgarian 19 Apr 86 p 1

[Article by Col Rangel Zlatkov: "Like Sun and Air"]

[Text] Plovdiv, 18 April (by telephone from our special representative). The ancient and young Plovdiv greeted the representatives of the great Soviet Army in fresh spring finery. The Soviet military-political delegation led by the Member of the CPSU Central Committee and Chief of the GlavPU, Army Gen Aleksey Lizichev, and accompanied by the member of the BCP Central Committee and Chief of the GLPUNA, Col Gen Mitko Mitkov, had a number of interesting and fruitful meetings.

Before lunch at the okrug party committee, a business-like meeting was held with the party and state leadership of Plovdiv Okrug. It was attended by the Member of the BCP Central Committee and First Secretary of the Okrug Party Committee, Ivan Panev, the Member of the BCP Central Committee and Chairman of the Okrug People's Councils, Stoyan Koshulev, and other officials. Ivan Panev spoke on the history, the present and future of this beautiful city, of the

inspiration of the working people to carry out the plans of the 13th Party Congress. Particular attention was paid to the exceptionally great aid of the Soviet Union, of its institutes and enterprises to the socioeconomic development of the okrug and city.

After this the military-political delegation from the Soviet Armed Forces visited the chief of the garrison. Lt Gen Panayot Panayotov spoke about the problems which are being solved in carrying out the high party demands in a spirit of the 13th BCP Congress.

Later on the guests viewed the Monument of Liberators where they laid flowers; the memorial to those who lost their lives in the struggle against Turkish slavery, capitalism and fascism; the old part of the city. In the afternoon the delegation visited the OZOT [Computer and Office Equipment] Combine, and became acquainted with its production. At the Maritsa Vegetable Production Institute the guests were greeted with bread and salt and were acquainted with the modern nature of the laboratory for textile crops.

The third day of the visit by the military-political delegation from the Soviet Armed Forces turned into a cordial expression of fraternity between our peoples and armies. Those who spoke at the various useful meetings confirmed the immortal words of the leader and teacher of the Bulgarian people that friendship with the Soviet Union is as vitally essential as sun and air for any living being.

#### Final Ceremonies, Departure of Delegation

Sofia NARODNA ARMIYA in Bulgarian 21 Apr 86 pp 1, 3

[Article by Col Rangel Zlatkov: "Military Cooperation, Unanimous Opinion on All Questions"]

[Text] The fourth day of the visit by the Member of the CPSU Central Committee and the Chief of the GlavPU, Army Gen Aleksey Lizichev, and the delegation headed by him was devoted to examining the places and monuments related to the revolutionary history of the BCP and the people and to the gratitude of Bulgaria for the Russian and Soviet liberators.

The envoys of the great and legendary Soviet Army and Navy, accompanied by the Member of the BCP Central Committee and the Chief of the GlPUNA, Col Gen Mitko Mitkov, early on Saturday morning landed at Stara Zagora Airport. They were met by the Member of the BCP Central Committee and First Secretary of the Okrug Committee, Mincho Yovchev, and by other party and state leaders. They immediately left for historic Mount Buzludzha in order to view the sanctuary of our revolutionary history, of the national and international pride of a Bulgarian, the Party House Monument. The hospitable hosts in the person of the Secretary of the Obshtina Party Committee in Kazanluk, Comrade Dobrev, provided a pleasant environment.

The trip to Mount Stoletov turned into an exceptionally interesting experience for the guests most of whom were visiting these places for the first time. Everyone examined with emotion the monuments of gratitude from the Bulgarian

people to their liberators from Turkish slavery. The representatives of the Soviet Army and Navy paid homage to the feat of the Russian soldiers and Bulgarian militiamen immortalized in hundreds of works of art.

When I observed the exceptional interest, great emotion and desire not to miss a single detail from the history of our own party, from the epic battles of the Russian knights against the Russian invaders, I was full of a sense of pride that our motherland had preserved over the ages this great feat and immortal glory. Everywhere the guests expressed their impressions which were a spontaneous expression of acknowledgment of the feat and of respect and gratitude for the Bulgarian recognition of this feat.

Later the Soviet military-political delegation returned to the capital. In the evening a cocktail party was held at the Soviet Embassy given by the extraordinary and plenipotentiary ambassador of the Soviet Union to Bulgaria, Leonid Grekov in honor of the envoys of the Soviet Army. Attending were the Member of the Politburo of the BCP Central Committee and Minister of National Defense, Army Gen Dobri Dzhurov, the First Deputy Minister of National Defense, Col Gen Khristo Dobrev, the Chief of the GLPUNA, Col Gen Mitko Mitkov, the deputy ministers of national defense, the deputy chiefs of the GLPUNA and generals and officers from the BNA.

Also there was the Soviet military-political delegation led by Army Gen Aleksey Lizichev.

Also in attendance was the representative of the commander-in-chief of the Joint Armed Forces of the Warsaw Pact countries to the BNA, Col Gen Aleksandr Zvartsev, the military, air and naval attache at the Soviet Embassy in Bulgaria, Maj Gen Givi Ordzhonikidze.

Yesterday morning the Soviet military-political delegation left the country. At the Sofia Air Terminal, it was seen off by the Head of the Social and National Security Section of the BCP Central Committee, Col Gen Velko Palin, the Chief of the GLPUNA, Col Gen Mitko Mitkov, the deputy ministers of national defense, the deputy chiefs of the GLPUNA, the generals and officers of the BNA.

Present at the departure was the extraordinary and plenipotentiary ambassador of the Soviet Union to our nation, Leonid Grekov, the representative of the commander-in-chief of the Joint Armed Forces of the Warsaw Pact countries to the BNA, Col Gen Aleksandr Zvartsev, the military, air and naval attache of the Soviet Embassy in our country, Maj Gen Givi Ordzhonikidze.

Pioneers presented flowers to the guests.

The brothers in class and arms have left hospitable socialist Bulgaria and taken with them our great affection for the soldiers of the great and invincible Soviet Army and Navy, for the Armed Forces of the nation of immortal Lenin. Until new meetings, Soviet brothers in arms!

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2200/114

## CONDITIONS FOR ADMISSION TO MILITARY ACADEMIES, SCHOOLS

Sofia NARODNA ARMIYA in Bulgarian 16 Apr 86 p 2

[Announcement of the Ministry of National Defense Concerning the Admission of Cadets and Scholarship Holders of the Ministry of National Defense for the 1986-1987 Academic Year]

[Text] A. Admission of Cadets to Higher Military Schools

The V. Levskiy Higher People's Military School [VNVU] in V. Turnovo

The school has a command, command-engineer, engineer, rear and political specializations.

1. The command specialization with a period of instruction of 4 years has the following specialties: "Motorized Rifle Troops," "Border Troops," "Tank Troops -- Line," and "Motorized Rifle Troops -- People's Police."

2. The command-engineer specialization with a period of instruction of 5 years has the following specialties: "Signal Troops," "Chemical Troops," "Motor Vehicle Troops" and "Engineer Troops."

3. The engineer specialization with a period of instruction of 5 years has the specialty "Tank Troops -- Technical."

4. The specialization "Rear" has the specialty: "Food and Clothing Supply" and "Fuel-Lubricating Materials." The period of instruction is 4 years.

5. The political specialization has a period of instruction of 4 years.

The Georgi Dimitrov Higher People's Military Artillery School [VNVAU] in Shumen

The school has command, command-engineer, engineer and political specializations.

1. The command specialization with a period of instruction of 4 years has the specialty "Ground Artillery."

2. The command-engineer specialization with a period of instruction of 5 years has the specialties: "Artillery Technical Troops" and "Artillery Reconnaissance and Observation, Geodesy, Cartography and Photography."

3. The engineer specialization with a period of instruction of 5 years has the following specialties: "Artillery Weapons," "Radars," "Automatic Control Systems" and "Antiaircraft Troops."

4. The political specialization has a period of instruction of 4 years.

The Georgi Benkovski Higher People's Air Force School [VNVUU] in D. Metropoliya

The school has command-engineer and engineer specializations.

1. The command-engineer specialization has the following specialties: "Pilot," "Navigator" and "Air Forces Staff."

The period of instruction is 5 years and for the specialty "Pilot" 4.8 years [text unclear].

2. The engineer specialization with a period of instruction of 5 years has the following specialties: "Operation and Repair of Aircraft," "Operation and Repair of Aviation Equipment of Aircraft," "Operation and Repair of Communications and Radio-Technical Equipment" and "Operation and Repair of Aviation Weapons."

The N. Y. Vaptsarov Higher People's Naval School [VNVMU] in Varna

The school has command-engineer, engineer and political specialization, each with a period of instruction of 5 years.

1. The command-engineer specialization has the following specialties: "Navigation for the Navy," "Navigation for the Civilian Fleet," "Radar" and "Sonar."

2. The engineer specialization has the following specialties: "Navy Ship Machinery and Mechanisms" and "Civil Fleet Ship Machinery and Mechanisms."

3. A political specialization.

Those completing military schools are considered to have served their regular military service, they are given the rank of engineer-lieutenant (lieutenant) and a higher civil education with skills in accord with the completed specialty.

Young men who meet the following conditions are permitted to apply to the higher military schools of the Bulgarian People's Army [BNA] have a completed secondary education; are politically correctly oriented; are Bulgarian citizens; like military service; are active members of the Komsomol; are physically healthy; are not over the age of 23 and for pilot applicants 21 (age is determined as of 1 September 1986); are not married; have no criminal

record and are not under indictment and investigation; have been recommended by the unit commander (for servicemen); career servicemen are to have an overall grade on the diploma of at least "very good" (5.00) and at least 1 year of service in the BNA by 1 September 1986. Applicants for the specialty "Motorized Rifle Troops -- People's Police" are to be over 1.70 m tall and be recommended by the MVR [Ministry of Internal Affairs] bodies.

Every young man has the right to apply for all specialties (ranked in order of preference) to one, two and three higher military schools. Young men who apply to two higher military schools are obliged to designate as their first choice the G. Benkovski VNVU or the N. Y. Vaptsarov VNVMU and as the second choice the V. Levskiy VNVU or the G. Dimitrov VNVAU, or as first choice the G. Dimitrov VNVAU and as second choice the V. Levskiy VNVU, while applicants to three higher military schools designate as their first choice the G. Benkovski VNVU or the N. Y. Vaptsarov VNVMU, as the second choice the G. Dimitrov VNVAU and as third the V. Levekiy VNVU.

Each applicant cadet is to submit through the chief of the military directorate where he is registered to the chief of the appropriate higher military school the following documents: a petition; a competitive card on which the cadet applicant without fail ranks the desired specialties in the order in which he wishes to be ranked; an autobiography; a declaration that he will serve at least 10 years in the Bulgarian Armed Forces or in the departments for which he will be accepted (blanks for the documents indicated up to this point may be obtained from the military directorate); a diploma showing a completed secondary education or a copy of it; a birth certificate; a certificate showing no criminal record; a pedagogical (service) recommendation for applying to the higher military school; a document showing preferential admission (if the candidate has the right to such preference); for the specialty "Motorized Rifle Troops -- People's Militia" a certificate that he has been recommended by the appropriate MVR bodies.

When more than one higher military school is being applied to, all the documents are sent to the first school while the petition and competitive card are sent to the remainder.

Candidate cadets who are servicemen submit the listed documents through the unit commander.

The documents of servicemen recommended for application to a higher military school, along with the health booklet, a copy of the military booklet showing given commendations and imposed penalties and a service recommendation are forwarded by the commanders to the military directorates from which the servicemen have been sent to service.

Applicants for the specialty "Motorized Rifle Troops -- People's Police" prior to 30 March 1986 are to submit to the personnel services of the MVR divisions at their residence a petition to be admitted to a competitive exam. After receiving an affirmative answer they submit their documents to the military directorates.

Petitions are not accepted if all the required documents are not tended and clearly filled out.

The dates for submitting the documents by the applicant cadets to the military schools are: prior to 4 June for those who completed their education prior to 1986 and for servicemen, prior to 15 July for those who complete their education in 1986. After these dates, new or additionally submitted documents are not accepted.

For applicant cadets who are servicemen or students of the NShZO [People's Reserve Officer School], preparatory courses are conducted at the higher military schools to which the applicants have submitted their documents. The preparatory course for cadet applicants to the G. Benkovski VNVU and N. Y. Vaptarov VNVMU is to be held on 9 July 1986 and for the V. Levskiy VNVU and G. Dimitrov VNVAU, on 10 July 1986.

The competitive exams, the testing of physical and psychophysiological qualities and the medical exams are conducted at the higher military schools to which the cadet applicants have submitted their main documents.

Cadet applicants to the G. Benkovski VNVU and the N. Y. Vaptarov VNVMU are obliged to report no later than 1400 hours on 4 August 1986 and to the V. Levskiy VNVU and G. Dimitrov VNVAU, no later than 1400 hours on 10 August 1986.

Applicants for the "Pilot" specialty are obliged to report to the G. Benkovski VNVU no later than 1400 hours on 22 July 1986.

Young men who have applied to the G. Benkovski VNVU and N. Y. Vaptarov VNVMU and who have received poor results on their written competitive exam can report to their second desired VUZ [higher military school] no later than 1400 hours on 15 August 1986; those who have received positive results but were not admitted should report prior to 1400 hours on 18 August, and to the third school no later than 1800 hours on 21 August 1986.

Cadet applicants for all military schools are to take two written exams -- one in a special subject and the second in social sciences.

The special subjects for which competitive exams are held are: for the political specialization -- history of Bulgaria, and for the political specialization at the N. Y. Vaptarov VNVMU -- mathematics; for the specialty "Chemical Troops" -- chemistry; for all remaining specialties -- mathematics.

The competitive exams are held according to the programs approved by the Ministry of National Education and published in the Manual for Student Applicants; for the specialty "Chemical Troops" according to the chemistry programs for applying to universities and the chemical engineering VUZ [higher institution of learning].

The cadet applicants for the specialty "Pilot" are to take a psychophysiological test according to a special method, with their qualities being judged according to a 6-point system.

The time for the testing of the qualities of the cadet applicant and for the written exams are as follows:

For the G. Benkovski VNVUU and the N. V. Vaptsarov VNVMU

From 5 to 9 August 1986, the testing of psychophysiological and physical qualities and the medical exam (for the "Pilot" specialty these measures are conducted from 22 July to 9 August 1986);

On 10 August 1986, the written competitive exam in mathematics;

On 12 August 1986, the written competitive exam in social sciences.

For the B. Levskiy VNVU and the G. Dimitrov VNVAU

From 10 to 15 August 1986, the testing of psychophysiological and physical qualities and medical exam;

On 16 August 1986, the written competitive exam in mathematics;

On 17 August 1986, the written exam in history (for the political specialization);

On 18 August 1986, the written competitive exam in social sciences;

On 19 August 1986, the written competitive exam in chemistry (for the specialty "Chemical Troops" at the V. Levskiy VNVU).

The physical qualities of the applicant cadets are tested for the following disciplines and standards: at least 6 chin-ups; 100 m of running from a standing start in not more than 15.5 seconds; a 1,000-m cross-country race in not more than 4.10 minutes.

Clothing is athletic (provided by the candidate cadets).

The physical qualities of the candidate cadets are judged as "Fit for a VUZ" or "Unfit for a VUZ." The evaluation "Unfit for a VUZ" is given to cadet applicants who do not fulfill the standards for two and more of the tested disciplines.

The testing of psychophysiological qualities of the applicant cadets is carried out according to special methods developed in the higher military schools. The psychophysiological qualities of the applicants are judged as "Fit for the VUZ" or "Unfit for the VUZ."

The medical exams are carried out according to the requirements of the Schedule of Illnesses and Physical Disabilities. Applicants for the specialty "Pilot" are to take a special aviation medicine examination.

An applicant cadet who has received an evaluation of "Unfit for a VUZ" in the testing of psychophysiological qualities, the testing of physical qualities or

the medical exam is dropped out of further participation in the competitive exam in all the VVUZ. Those who have received an evaluation of "Fit for the VUZ" are permitted to take the written exam in the special subject.

The results "Fit for the VUZ" from the testing of psychophysiological and physical qualities and from the medical exam of the applicant cadet and the grades from the written exam for the special subject and social sciences as received at the first higher military school, if they are positive, are also accepted by the remaining higher military schools designated in the petition of the applicant cadet.

The applicant cadet who has been ranked in the first higher military school (G. Benkovski VNVUU and N. Y. Vaptarov VNVMU) but not admitted can report for the written competitive exam in the special subject and for social science at the second VVUZ, with the result received at the first VVUZ not being counted. The obtained grades in the second VVUZ are valid also for the third higher military school which is indicated in the petition.

The sessions of the admission commissions of the G. Benkovski VNVUU and N. Y. Vaptarov VNVMU are held no later than 16 August 1986, at the G. Dimitrov VNVAU no later than 1400 hours on 21 August 1986 and at the V. Levskiy VNVU no later than 22 August 1986.

Candidates who have been ranked but who do not report to the admission commission are considered as dropping out.

If the ranked applicant cadets do not report on the stipulated date to the appropriate military school, their places are taken by applicants from the reserves in order of their ranking.

#### B. Admission of Scholarship Holders of the MNO [Ministry of National Defense]

Accepted as scholarship holders of the MNO are young men from student applicants as well as from those already studying in higher institutions of learning in the following specialties: medicine at the medical institutes in the cities of Sofia, Plovdiv, Varna, Pleven and Stara Zagora, physics at the Sofia Kl. Ohridski University for meteorologists in the BNA.

Applicants for the MNO scholarships in these specialties must meet the conditions for cadets in higher military schools. They are to submit documents on the general grounds to the appropriate institutions of higher learning following the procedure established for student applicants. Those successfully ranked in the corresponding civilian institutions of learning (with a number of points over a definite minimum for the given higher institution of learning) within 10 days after the announcing of the results of the competitive exams and for those already studying in institutions of higher learning, prior to 1 August 1986, are to submit to the military directorate where they are registered the following documents: a petition, autobiography, a medical certificate from a military hospital (for those who have served their regular military service), a medical draftee sheet (for draftees), a health booklet (for servicemen), a certificate showing no criminal record, a certificate showing the number of points from the corresponding higher

institution of learning where they have applied and a declaration that they will serve in the BNA for at least 10 years after completing their education. Those already studying in higher institutions of learning also submit a certificate for successfully completing the academic year.

Those accepted as MNO scholarship holders who have not served their regular military service begin their studies after having served it.

The MNO scholarship holders after completing their higher education are accepted for active military service and are assigned to BNA units.

Additional information on applying to the VVUZ can be obtained from the military schools, the military directorates (the unit commanders for regular servicemen) and from the Manual for the Student Applicant for 1986-1987.

Announcement of the Ministry of National Defense Concerning the Admission of Students to the NCO Secondary Military Schools in the 1986-1987 Academic Year

Admitted to the NCO secondary military schools are students in specialties and for periods of instruction as follows:

A. The G. Izmirliev NCO Secondary School [SSVU] in Gorna Oryakhovitsa

The school has the following specialties:

1. "Motorized Rifle Troops."
2. "Signal Troops."

The period of instruction for these specialties is 2 years for young men who have completed the first degree of the ESPU [unified secondary school] and for young men who have completed their secondary education and 3 years for young men who have completed 8th grade.

3. "Tank Troops."
4. "Engineer Troops."
5. "Chemical Troops."

The period of instruction for the specialties indicated in Points 3, 4 and 5 is 3 years. Young men who have completed 8th grade are accepted.

6. "Mechanic for Repair of Communications Equipment."

The period of instruction for the specialty designated in Point 6 is 4 years. Young men who have completed 8th grade are accepted.

B. The NCO Secondary Military Artillery School [SSVAU] in Shumen

The school is under the G. Dimitrov VNVAU in Shumen and has the following specialties:

1. "Antiaircraft Artillery -- Line."

The period of instruction for this specialty is 2 years. Accepted are young men who have completed the first degree of the ESPU and young men who have completed their secondary education who are draftees and regular servicemen in the BNA.

2. "Ground Artillery -- Technical."

3. "Antiaircraft Artillery -- Technical."

4. "Mechanic for Repair of Tank Weapons."

5. "Radio Technical [Radar] Troops."

6. "Mechanic for Computer and Microprocessor Equipment and Programming."

7. "Head of Radar Station."

The period of instruction for the specialties designated in Points 2, 3, 4, 5, 6 and 7 is 4 years. Young men who have completed 8th grade are admitted.

C. The NCO Secondary Air Force School [SSVUU] in Dolna Mitropoliya

The NCO secondary military air force school is under the G. Benkovski VNVU in Dolna Mitropoliya. The school has the following specialties:

1. "Operation and Repair of Aircraft and Engine."

2. "Operation and Repair of Aviation Equipment."

3. "Operation and Repair of Radio Electronic Equipment."

4. "Operation and Repair of Communications Equipment."

The period of instructions for all specialties is 4 years. Young men who have completed 8th grade are accepted.

For the specialty "Operation and Repair of Aircraft and Engine," students are accepted also for the needs of the BGA [Bulgarian Civil Aviation].

D. The Anton Ivanov Warrant Officer [Michman] Secondary Naval School [VSVMU] in Varna

The specialties at the school are:

1. "Navigation."

2. "Naval Communications."

3. "Radio-Technical Equipment of the Fleet."

The period of instruction for all specialties is 2 years.

Admitted are young men with a completed secondary education, draftees and regular servicemen from Navy ships.

For those who have completed the full course of the secondary NCO military schools indicated up to this point, the following are considered completed:

- a) Those who have been admitted from 8th grade with a period of instruction of 3 years -- a secondary education, completed regular military service and a military skill depending upon specialty;
- b) Those admitted from 8th grade with a period of instruction of 4 years, those admitted from 11th grade and those who completed the first stage of the ESPU -- a secondary special education, completed regular military service and a military skill depending upon the specialty.

E. The Maestro G. Atanasov NCO Secondary Military Music School [SSVMU] in Sofia

The school admits young men for the specialty "Military Band."

The period of instruction is 4 years. Young men who have completed 8th grade are admitted.

Those who complete the school are considered to have a civilian secondary special education, completed regular military service and a military skill of "Military Band Member."

Accepted as applicants to the NCO secondary military schools are young men who meet the following conditions: are Bulgarian citizens; are active members of the Komsomol; are physically healthy and are not married; they have been recommended by the unit commander (for servicemen); have not been condemned and are not under indictment and investigation; have completed the 8th grade, the first degree of the ESPU or 11th grade; applicants with a completed 8th-grade education should not be older than 17, while those with a completed first degree of the ESPU or a secondary education, not older than 21, counting by 15 September 1986; they must have exemplary conduct.

All the student applicants submit the following documents through the people's councils or military directorates to the chief of the appropriate NCO secondary military school to which they are applying (the chief of the higher military school which is over the NCO school): a petition in which the applicant student without fail ranks the desired specialties in the order which he wishes to be ranked; an autobiography; a diploma for a complete secondary education, a certificate showing a completed first degree of the ESPU (10th grade) or 8th grade (this can be notarized); a birth certificate; a recommendation from the people's council; a certificate showing no criminal record; a pedagogical recommendation from the school; a declaration that the student applicant will promise to serve at least 10 years in the BNA (BGA) after completing the school (for applicants with a basic education (8th grade)

the declaration is to be signed by the parents or, if there are no parents, by a guardian; a document showing the right to preferential admission (if there is such a preferential right).

The documents of regular servicemen recommended for applying to the NCO secondary military school, along with the health booklet, a copy of the military booklet for the imposed penalties and given commendations and a service recommendation are forwarded by the commanders to the military directorates from which the young men have been sent to serve.

The dates for submitting the documents to the military directorates are as follows: prior to 4 June 1986 for those who completed their secondary education prior to 1986 and for regular servicemen; prior to 16 July 1986 for all who completed their education in 1986.

Applicants to the G. Izmirliev SSVU, the SSVAU in Shumen, the SSVUU in D. Mitropoliya who completed 8th grade are to take a written competitive exam in mathematics on the material studied up to the 8th grade, inclusively.

Applicants for the SSVMU are to take a competitive exam in solfege and a special subject including wind instrument (not including flute, oboe and bassoon) and a percussion instrument according to the program for admission to secondary music schools.

Student applicants are to take a careful medical exam and a testing of psychophysiological qualities.

Each applicant has the right to apply for all specialties at two NCO military schools, one from the first group and one from the second group. In the first group of NCO schools are the SSVUU in Dolna Mitropoliya, the SSVAU in Shumen and the Anton Ivanov MSVMU in Varna, and in the second are the G. Izmirliev SSVU in Gorna Oryakhovitsa and the Maestro G. Atanasov SSVMU in Sofia.

Young men who apply to two NCO schools send their documents to the first, indicating in these the second school to which they are applying, and a petition to the second in which they indicate to which NCO secondary military school they have submitted the remaining documents.

The time for the reporting of the applicants and the holding of the tests at the schools in the first group is as follows: reporting of applicants prior to 1400 hours on 18 August; testing of psychophysiological qualities of applicants and medical exams on 19 August; written exam from 0800 hours to 1200 hours on 22 August. The admission commissions will complete their work no later than 24 August.

For the second group of NCO secondary military schools the time is: reporting of applicants prior to 0800 hours on 2 September; testing of psychophysiological qualities of applicants and medical exam from 1000 hours on 2 September; written exam in mathematics for the G. Izmirliev SSVU from 0800 hours to 1200 hours on 4 September, and the competitive exam in solfege and the special subject at the Maestro G. Atanasov SSVMU on 3 and 4 September. The admission commissions will complete their work no later than 7 September.

Applicants for students in specialties with a 2-year period of instruction are not required to take a competitive exam but are ranked by the number of points formed from the total of the following grades:

For those who completed the 11th grade: the overall grade on the diploma (certificate) for the completed education, the grade from the diploma (certificate) for Bulgarian and mathematics;

For those who completed the first degree of the ESFU, the arithmetic average grade from the 9th and 10th grades in Bulgarian, mathematics and physics.

For 3- and 4-year periods of instruction, the number of points is formed as for those who completed 11th grade, in adding a doubled grade from the competitive exam in mathematics.

The applicants for the Maestro G. Atanasov SSVMU are ranked by the number of points formed from the overall grade from the certificate for a completed 8th grade, the doubled grade from the competitive exam in solfege and a tripled grade in the special instrument.

The admission commissions rank the student applicants on the basis of the obtained number of points and the preferential advantages which they have.

The ranking is carried out in order of the specialties indicated by the student applicants.

Admitted students are informed in writing by the appropriate NCO secondary military school. They are obliged to report to the school prior to 1400 hours on 14 September and those accepted at the Anton Ivanov VSMU (not including regular servicemen) prior to 1400 hours on 27 August.

If accepted students do not report at the stipulated date to the appropriate NCO military school, their places are taken by applicants from the reserves according to the order of their ranking.

Travel and meals are at the expense of the applicants and lodging for them is organized by the NCO secondary military schools. Regular servicemen applicants may travel on military travel documents and may sign up for meals in presenting their meal certificate.

For applicants to the Maestro G. Atanasov SSVMU, from 25 August to 1 September 1986, a preparatory course is organized according to a program drawn up by the school.

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## MEMBERS OF NINTH NATIONAL ASSEMBLY COMMISSIONS LISTED

Sofia RABOTNICHESKO DELO in Bulgarian 18 Jun 86 p 2

[Listing: "Permanent Commissions of the Ninth National Assembly"]

[Text] Commission on Socioeconomic Development

Chairman: Grisha Stanchev Filipov, national representative from the 232rd Rusenski electoral district

Deputy chairman: Ivan Georgiev Pekhlivianov, national representative from the 287th Sofiyski electoral district

Deputy chairman: Pando Vulev Banchev, national representative from the 30th Neseburski electoral district, Burgaski District

Secretary: Angel Dimitrov Bobokov, national representative from the 137th Lomski electoral district, Mikhaylovgradski District

Members: Aleksandur Petkov Yordanov, Anastasiy Donchev Ivanov, Angel Ivanov Yordanov, Anka Ivanova Spirova, Anks Petkova Dimitrova, Asya Belinova Ilieva, Atanas Georgiev Atanasov, Atanas Iliev Konstantinov, Atanas Stefanov Atanasov, Benislav Ivanov Vanev, Boris Stefanov Todorov, Vasil Vulchev Vasilev, Vasil Nedev Stoyanov, Vasil Nikolov Kovachev, Vladimir Dimitrov Lazarov, Georgi Vasilev Kardashev, Georgi Nikolov Menov, Georgi Pavlov Georgiev, Georgi Stoinev Kharizanov, Dimitur Zhelev Kostadinov, Dimitur Iliev Popov, Dimitur Yordanov Dimitrov, Dimitur Mikhalev Stoev, Evka Mikhaylova Razvigorova-Yanakieva, Evtim Kostov Penov, Elitsa Khristova Mladenova, Emil Petrov Petkov, Ivan Borisov Andonov, Ivan Dimitrov Panev, Ivan Nikolov Popov, Ivan Penev Tenev, Ivan Raychinov Prulov, Ivan Stoyanov Truev, Ivan Kharalambiev Ivanov, Ivan Yankov Ruzhev, Iliya Atanasov Gunchev, Iliya Miloslavov Pachaliev, Iliya Stoyanov Vurtigorov, Kiril Aleksandrov Zarev, Kichka Todorova Staneva, Krasmira Khubenova Khandzhieva, Krustyu Atanasov Stanilov, Lazar Donchev Petrov, Lazar Krustev Lazarov, Mincho Smilov Yovchev, Mladen Traykov Andonov, Neli Kuncheva Toncheva, Nikola Kostadinov Stefanov, Nikola Nikolov Tsonev, Nikola Khristov Todoriev, Pepa Georgieva Vasileva, Petur Marinov Petrov, Petur Petrov Tsvetkov, Radka Georgieva Tuneva, Rayna Tsvetanova Dimitrova, Svetla Ancheva Tsvyatkovska, Svetozar Georgiev Petrushkov, Stoyan Peykov Stoyanov, Toncho Ivanov Chakurov, Kristina Yordanova Arsova, Tseno Stoyanov Khinkovski.

**Commission on Social Policy**

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**Deputy Chairman:** Vasil Pandov Vasilev, national representative from the 297th Sofiyski electoral district

**Secretary:** Siyka Atanasova Neykova, national representative from the 70th Svishtovski electoral district, Velikoturnovski District

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Commission on Preservation and Reproduction of the Natural Environment

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Deputy chairman: Mako Petrov Dakov, national representative from the 146th Bratsigovski electoral district, Pazardzhishki District

Secretary: Khristo Ruskov Khristov, national representative from the 214th Karlovski electoral district, Plovdivski District

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Commission on Foreign Policy

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Secretary: Lyuben Georgiev Kulishev, national representative from the 99th Sevlievski electoral district, Gabrovski District

Members: Aleksandur Yankov Dimov, Angel Tsvetkov Filipov, Bogomil Gyurov Iliev, Boyan Georgiev Traykov, Vasil Savov Zikulov, Vera Tsekova Nacheva, Viktor Georgiev Vulkov, Georgi Ivanov Ivanov, Dimitur Georgiev Biyachev,

Dimitur Tsochev Brashev, Dimitur Tsochev Bratanov, Dimitur Yakov Stanishev, Iliya Petkov Mlechkov, Kamen Khinov Kalinov, Kirilka Gospodinova Khristova, Konstantin Todorov Rusinov, Kuncho Iliev Kunev, Leda Geo Mileva, Lyubomir Spiridonov Levchev, Luchezar Avramov Stoyanov, Mariy Antonov Ivanov, Mariya Dimitrova Mavrova, Mariya Simeonova Zakharieva, Niko Mois Yakhiel, Petur Georgiev Vutov, Sava Stefanov Biliderov, Silviya Ilieva Ekova, Slavcho Stamenov Trunski, Stoyan Dimitrov Karadzhov, Khristo Dobrev Stoyanov, Tsola Nincheva Dragoycheva, Yana Stefanova Zabunova.

Commission for the People's Councils and Local Self-Government

Chairman: Mitka Grigorov Dimitrov, national representative from the 126th Loveshki electoral district

Deputy chairman: Dimitur Atanasov Dimitrov, national representative from the 42nd Varnenski electoral district

Deputy chairman: Vasil Kolev Pasev, national representative from the 377th Kharmanliyski electoral district, Khaskovski District

Secretary: Zhelyazko Kolev Kolev, national representative from the 213th Khisarski electoral district, Plovdivski District

Members: Adelina Radomirova Rizova, Asen Yankov Yankov, Velichko Petrov Velichkov, Galina Stefanova Khristova, Georgi Dimitrov Georgiev, Georgi Yotov Kalchev, Goran Ninov Marinov, Dilyana Gancheva Rangelova, Dimitur Georgiev Nenchev, Dimitur Rusev Mikhaylov, Evtim Yanev Krustev, Elena Kiryakova Danailova, Ivan Georgiev Vlaev, Ivan Dimitrov Ovcharov, Ivan Markov Todorov, Ivan Minchev Ivanov, Ivan Nikolov Maslarov, Ivan Petrov Shpatov, Iliya Velikov Georgiev, Iliya Dimitrov Iliev, Isay Alipiev Karamanov, Kol'o Yovchev Stoyanov, Kosta Yordanov Manolov, Kostadin Stanev Georgiev, Margarita Petrova Kovacheva, Milcho Georgiev Milchev, Mil'o Nikolov Milev, Rosen Iliev Chernev, Silviya Staneva Milanova, Stanka Pavlova Ormanova, Strakhil Draganov Khristov, Turpo Atanasov Bozhilov, Khristo Marinov Mutafov.

Legislative Commission

Chairman: Yaroslav Georgiev Radev, national representative from the 296th Sofiyski electoral district

Deputy chairman: Boris Petrov Spasov, national representative from the 227th Rusenski electoral district

Deputy chairman: Kostadin Yanchev Kostov, national representative from the 105th Chernoochenski electoral district, Kurdzhaliyski District

Secretary: Gin'o Gochev Ganev, national representative from the 31st Pomoriyski electoral district, Burgaski District

Members: Aleksandur Khristov Dimitrov, Angel Todorov Shishkov, Vasil Yonchev Vasilev, Velko Ivanov Palin, Ivan Georgiev Dimitrov, Kamen Ivanov Kamenov, Kostadin Ivanov Dzhatev, Lazar Rusinov Stamboliev, Magdalena Asenova Stoyanova, Mircho Asenov Stoykov, Mihail Popov Genovski, Nikola Zakhariev Tonchev, Nikola Manolov Manolov, Pantelei Lazarov Pachov, Pencho Stoyanov Kostrukov,

Petur Dachev Balevski, Petur Nikolov Petrov, Radi Traykov Kuzmanov, Raya Dimitrova Gicheva, Sava Atanasov Dulbokov, Ten'o Dinev Cherkezov, Fil'o Khristov Chakurov, Khristo Nikolov Stanev.

Commission for Protection of Public Interests and the Rights of Citizens

Chairman: Petur Georgiev Dyulgerov, national representative from the 159th Pernishki electoral district

Deputy chairman: Pradan Toshev Stoyanov, national representative from the 154th Peshterski electoral district, Pazardzhishki District

Deputy chairman: Lyuben Stoyanov Stefanov, national representative from the 326th Gornomalinski electoral district, Sofiyski District

Secretary: Vladimir Khristov Kalaydzhev, national representative from the 196th Plovdivski electoral district

Members: Atanas Borisov Avkov, Atanas Georgiev Semerdzhiev, Boyan Georgiev Purvanov, Vladimir Bonev Amidzhin, Vladimir Dimitrov Stoychev, Georgi Atanasov Tsarushev, Georgi Vulkanov Yorgov, Grigor Velkov Shopov, Daniela Dimitrova Marinova, Dzena Khristova Yalumova, Dimitur Aleksandrov Zhulev, Dobrinka Stoyanova Chifchieva, Elena Petkova Chakurova, Zvezda Velikova Eneva, Zdravko Stefanov Mitovski, Ivan Konstantinov Stefanov, Yordan Velev Yordanov, Krustyu Georgiev Mutafchiev, Krustyu Sergeev Trichkov, Lazar Dimitrov Prichkapov, Lyubcho Georgiev Toshkov, Malinka Dimitrova Vezenkova, Manol Pavlov Yordanov, Mariya Kamenova Ivanova, Minko Todorov Minkov, Nacho Petrov Papazov, Panayot Kostov Panayotov, Peko Petrov Takov, Petur Atanasov Chobanov, Stoyan Tonchev Stoyanov, Trifon Rangelov Balkanski.

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CSO: 2200/140

**INTERNAL PARTY BUDGET 'SETS EXAMPLE'**

Warsaw TRYBUNA LUDU in Polish 13 Jun 86 p 3

[Interview with Antoni Gorny, director of the PZPR CC Department of General Affairs, by Anna Pawlowska: "Party Must Set Example of Good Management"]

[Text] [Question] How does the party pay its way? You are the most competent person to respond to this question.

[Answer] It is not given a free ride by the state, though many citizens think so. It draws funds primarily from membership dues and the proceeds of its publishing concern, the RSW [Workers' Cooperative Publishing House] "Prasa-Ksiazka-Ruch." As any economic unit or institution, the party has a budget. Like everybody else in the country nowadays, the party has a problem making ends meet.

[Question] Therefore, the party must economize too?

[Answer] And how! We have savings programs in place; their implementation is very closely watched by the secretariat of the Central Committee. The difficult part is to ensure that these steps do not choke off any important political initiative, while pruning everything that is important just superficially, for show. All nationwide constraints on investments apply equally to us, though we have appreciable needs.

[Question] Could you tell us how the party budget is prepared?

[Answered] Provincial echelons present their needs, as do departments of the Central Committee. These [figures] are subsequently reviewed by the Budget Commission of the Central Committee and discussed with the CKR [Central Audit Commission]. Proposals drafted in this way are accepted by the secretariat of the Control Committee. The implementation of a party budget is reviewed many times over the year in progress. Party management in its entirety is subject to the control of the CKR and audit commissions of lower echelons. The outgoing CKR has been very strict and rigorous in discharging this responsibility.

[Question] How is a savings program drafted?

[Answer] The secretariat of the Central Committee sets its annual guidelines and forwards them to the provincial echelons. In their turn, the latter offer their concepts and modes of saving within the scope of the guidelines. All of the submissions are balanced again and result in the budget adopted by the secretariat.

[Question] Price increases which affect all citizens and institutions do not spare the party either. What does this do to the budget?

[Answer] The same it does to any family budget. Growing postage, costs of energy, water and transportation cannot be offset. The available assets must be reallocated; something must give in order to squeeze additional financing for other items.

[Question] I must say I cannot quite imagine where savings can be made in the operation of the party.

[Answer] In all honesty I could answer: everywhere. Here are some examples, however: party functionaries are required to use the most inexpensive accommodations available during business trips. You can take a car from Warsaw only to several designated provinces which have the worst transportation links. Similar restrictions apply to townships at the provincial level. Now, for another example: we are striving to eliminate duplicating business trips and conferences which proliferate without any evident need. This saves money and also people's time and, therefore, results in increased efficiency.

[Question] Let us return for a moment to membership dues. Many comrades see this statutory duty as mostly symbolic...

[Answer] This may be due to the inadequately emphasized linkage between the financial aspect of party endeavors and the degree of collecting membership dues. Surely, some people--in keeping with the intrinsically Polish attitude towards money--believe that grand issues such as ideology or politics should not be considered from the financial angle. Unfortunately, grand issues also cost money. The more vigorous and comprehensive party activities are, the more outlays they call for. Therefore, management should be more streamlined and cost-conscious.

Returning to the dues, however, there is undoubtedly a linkage between the general organizational condition of the party, party discipline and the payment of dues. Recent years provide a vivid example: in 1982, uncollected dues amounted to 7 percent, in 1983 - 6 percent, in 1984 - 4 to 4.6 percent, and last year - only 3.2 percent. At the same time, average dues increased from 50.20 to 94.11 zloty between 1982 and 1985. By the way, let me add something that may not be generally known: comrades working abroad on turnkey projects, contracts or at diplomatic missions pay their dues in hard currency. Let me also remind you that 10 percent of the dues remains at the disposal of the basic party organization.

[Question] Therefore, the management of the party's assets is neither marginally important or eclipsed by the statutory tasks of the party.

[Answer] I say it should not be so for a variety of reasons. The basic consideration is that a party appealing to the populace for thrift, efficiency and struggle against wastefulness, a party whose members are under obligation to show leadership in these fields must set an example in its own management. Also important is the agreement between words and deeds. How could we require that a party member approach public assets with husbandry in his enterprise, if he were not aware of such husbandry within the party? Besides, as people who currently use the assets of the party, we must be mindful of them being a gradually accumulated possession of all post-war generations of the party. In a way, it is a legacy entrusted to us which we, in our turn, must pass on to posterity not only undiminished, but also enhanced. The respect for this legacy must be that much higher. I would very much like to see this kind of thinking increasingly popular in our party.

[Text in the box] Antoni Gorny, 55, was born in the Beskidy foreland, in a working class family ("weavers with a couple acres of land"). After service in the armed forces he was in the youth movement, in the ZMP [Polish Youth Union], ZMS [Union of Socialist Youth] and ZMW [Rural Youth Union] in Pomerania. Since 1954, he has been working in the youth movement and party echelons, including the post of the PZPR provincial committee secretary in Lublin. He is a graduate of the WSNS [Higher School of Social Sciences]. Since 1976, Antoni Gorny has headed a department of the Central Committee. He has been elected a delegate to the 10th PZPR Congress by the Bielsko-Biala party organization.

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POLITICS

POLAND

JOURNALISTS SEEK MORE INFORMATION AT ATOMIC AGENCY MEETING

Warsaw ZYCIE WARSZAWY in Polish 17-18 May 86 p 6

[Article by (b.k.), "We All Need to Know More: Journalists Meet Radiologists"]

[Text] [From our own correspondent] The leadership of the State Atomic Energy Agency and representatives of the Central Radiology Protection Laboratory [CELOR] met on 16 May with science and technology journalists. The agenda was the radiological situation in Poland and the activity of the contamination monitoring service. Although the meeting provided no new information compared to that currently supplied by the Government Commission's communiqüs, it proved significant for different reasons. All those present became clearly convinced, how necessary is information on the nature of such a disaster and its present and time-delayed effects, and how little is known generally about the activities of monitoring stations and of provincial epidemiology stations which carry out food tests, etc. The situation is new to all those who have got involved in it. No one can claim that the common knowledge surpasses general experience: it, too, remains limited. And some experts have proved incapable of explaining, clearly and in a manner which does not call for subsequent correction, what is the difference, for instance, between units of radiation which indicate the degree of contamination of milk or lettuce, and those which express the radioactivity of iodine contained in the thyroid gland; what is the difference between the degree of air radioactivity and the magnitude of a dose a man receives through such air. During the conference, arranged after all for people who deal professionally with the explanation of scientific and technological matters, it came out again and again that in this area expertise can just barely be translated into concepts which non-professionals could assimilate. The Atomic Energy Agency, the Institute for Nuclear Research, and the CELOR should become committed--by no means as just a side-effect of the breakdown--to dissemination of knowledge for everyone on the radiological protection, in order to prevent a feeling of confusion and helplessness which had encompassed all of us in the earlier days following the Chernobyl reactor breakdown. Somebody said: "Once one could go to the country for fresh air, when in the city something awful was taking place, while now--it is the same everywhere."

When a 1,000 KM distant disaster brings threats which have to be simultaneously counteracted over a large area, the new situation calls for a different degree of understanding and organization.

During the meeting between representatives of the State Atomistics Agency and journalists another problem emerged: the need to modernize the network which in nearly 140 locations throughout Poland monitors radioactivity, to make it automatically sensitive to breakdown situations through increased monitoring frequency and immediate alarm activity.

Finally, the meeting conveyed another message--I would call it a technological one. It is well known that among the products turned out in our country, the average amount of substandard ones is high, but imprecision and fallibility in technology which has an increasingly large impact, not only involve unnecessary costs but become a threat. One should keep thinking about it, even as the Chernobyl disaster disappears from newspaper headlines.

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## UNIVERSITY SOCIAL COUNCILS TO INCREASE COMMUNITY CONTACTS

Warsaw ZYCIE WARSZAWY in Polish 17-18 May 86 p 6

[Article by (par), "Chairmen of Higher Education Councils Meet"]

[Text] The process of creating higher education social councils, allowed by the Higher Education Law, is drawing to its close.

The Scholarly Cadres Commission of the Council of State met on 16 May in Warsaw with the chairmen of such councils. The meeting, chaired by Professor Tadeusz Szelachowski, vice chairman of the Council of State, was intended to familiarize the council's representatives with some higher-education problems, to exchange preliminary experiences, and to draft introductory action guidelines. The main purpose of the councils, already active throughout all the academic centers (they are appointed by the local People's Councils at provincial level) include restoration and strengthening of links between higher-education schools and local authorities and economic management; analysing conditions and needs of higher education in particular regions; and evaluation of school functioning, in particular with respect to the fulfillment of their educational purposes.

The meeting was informative rather than argumentative in character. As yet, one can barely talk of exchange of experiences, too, since not everywhere have the councils begun to function fully staffed, and in many cases they have just begun to learn the problems of the [higher-education] schools they are supposed to sponsor. Nonetheless, the above-mentioned indicates that at the very beginning of their activity, the councils will have to deal with a dilemma--how to combine the academic communities' expectations raised by their emergence, with the obligation imposed on them by the lawmakers. The schools expect the councils to assist them, above all, in solving their difficult problems of investment, repairs, equipment supply, etc. They hope that, thanks to the councils whose membership includes political and civic activists, as well as representatives of local authorities and industry, they will more easily find contractors in order to start investment or repairs projects, receive orders for additional scientific assignments and experts' reports, etc. They expect, at present at least, help in solving troublesome current problems. But much less enthusiasm was enkindled toward all the councils' supervisory powers. How the councils will affect the future structure of the entire higher-education system,

will they actually become a forum for interaction between science and life--can hardly be said yet, even though some of the debate pronouncements voiced by representatives of those communities where councils (albeit created by the schools themselves) had been active in previous years, indicate that the social councils might turn out fruitful both for the [higher-education] schools and for the economy.

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## RECENT BOOKS ON KOSOVO ARGUED AT WRITERS' GATHERING

Belgrade ILUSTROVANA POLITIKA 11 Mar 86 pp 6-7

[Article by Jevrem Damnjanovic: "History Does Not Tolerate Falsification"]

[Text] The small hall is filled to the last seat. People stand between the rows and in the corridor. Space for the authors of books on Kosovo was barely found at the red oilcloth-covered table.

Host Miodrag Bulatovic shrugs. The Writers' association doesn't have any other room. This is the biggest one on French Street, #7. A map of Kosovo is hung on the wall. Near the Albanian border a narrow area is delineated. In addition are mixed dots in two colors. Settlements. Then a larger, empty space.

Dr Mitar Pesikan, language expert, explains: medieval texts give a faithful ethnic picture. On this basis it can be seen who lived where. In the 15th century, the Albanian population lived on the present border. Further, on the broadest expanse of Kosovo, lived the Serbs.

"However, some 'experts' do not accept this fact now," says Dr Pesikan. "They stubbornly present to the public that in the middle ages in Kosovo there lived a predominantly Albanian population. They did not renounce this view even when Turkish texts became available from which, along with Serbian documents, the ethnic composition of the population can be seen."

In asking why this happens even at meetings of specialists, in Dubrovnik just as in Decani, the answer is found to be than by distorting history, attempts are made to prove that Albanians were always the masters of Kosovo, and Serbs the immigrants. As if it were essential who came and left when. Everyone on down is an immigrant. But all emigrations are, as today's emigrations, not legitimate. Milica Grkovic has studied names in the sealed documents of Decani. She wrote a book on this topic. In the 14th century, of 189 villages, Slavic toponyms comprised 82.6 percent.

"In the central part of Kosovo," she confirms Dr Pesikan's words, "lived primarily Serbs. This area, otherwise, was sparsely populated."

## Threatened Monuments

Ethnic identity is recognized by the monuments of culture, commented Gojko Subotic. Serbian ones are dispersed throughout Kosovo. The Pec Patriarchate is such an architectural and artistic monument that on the basis of it alone, the culture of one people during five centuries can be reconstructed (if all other monuments were to suffer some cataclysm). In addition, there is Gracanica, our most beautiful architectural monument...

"The fact is, however," he added, "that many remnants of Serbian culture have not been examined. For ethnologists, in many places, it is too late, for the composition of the population has changed; there no longer is a Serbian population."

Jovan Sekulic added to this that cultural monuments, in the shortage of written words, are still an open book. But in Kosovo they have fallen into ruin, and some have even been destroyed.

"The consequences of the partition of cultural heritage in the 70's according to republic, province and commune, were catastrophic," he said. "Not only in Kosovo, but in the entire country. Since that time, everyone has protected monuments to the best of his knowledge and ability, depending on what specialists and funding were at his disposal. As a republic, in 1971, we lost any connection with the cultural heritage in Kosovo. There is a greater difference between our law on the preservation of monuments and that of the province in relation to that of the other republics. Practically speaking, our experts are forbidden access to the Kosovo monuments, except in the case of six, among which are the Pec Patriarchate, Gracanica and Ulpijana. Taking into consideration the capabilities of Kosovo's experts, we attempted to create a mutual society, or union (with Kosovo and Vojvodina), of conservators, but have had no success even after a year. They simply do not accept it.

Milan Ivanovic has visited many small churches and cemeteries in villages which in the interim have disappeared, and which were ruined not by time but through carelessness at the hands of those who want to remove all traces of Serbian culture in the territory. With the destruction of the churches, frescoes, icons and significant artistic items have disappeared, as well as books. There are even fewer epigraphs in stone.

"Why," he asked, "after 850 years, is the Albanianization of town names taking place?"

## Truth and Error

The anthology "The Albanians," published by the Cankarjev publishing house of Ljubljana, and among whose contributors are some Albanians, represents a scandal, according to writer Miodrag Bulatovic. History is altered and lies are introduced in this anthology. Some 'historical' sources are from the Albanian Embassy in Belgrade, and this 'scholarly' project is even financed by the Academy of Arts and Sciences of Kosovo.

Dr Dusan Batakovic was even harsher in his evaluation: this anthology, despite changes, represents destructive testimony. It gives a distorted historical picture along pre-conceived theses. Everything is subordinated to prove that the Albanians have always lived in the territory in which they are now located.

"In this book, Kosovo is equated with the history of Albania," said Dr Batakovic. "Although there exists rich source material both here and throughout the world, the authors used that which suited them. What is projected by the Prizren League as Great Albania is declared Albanian territory in the book. Mention of the Serbs is avoided wherever possible.

For a distinction between this and several other books by Albanian authors, the famous lawyer, Dr Mirko Perovic, feels that the work of Sinan Hasani, "Kosovo: Truth and Errors," deserves attention. According to Perovic, this is the best book on Kosovo written by an Albanian. There are mistakes, for Hasani is not an historian, but in all the most essential thing is that he perceived the mutual existence of Albanians and Serbs in that territory.

"Who lived in Kosovo and when is not essential," added Perovic. "For to look at it that way, Italy could lay claim to the entire Balkan peninsula. The fact is, however, that the consciousness of Great Albania formed over decades, and it led to exactly what it led to, which was genocide.

Dr Valilije Krestic, historian, stated that Hasani could have avoided many errors had he chosen historians as reviewers. However, Dr Koca Joncic and Dr Dusan Bilandzic, as well as Rahman Dedaj performed that role. In spite of this, he added, any writer who selects bad sources in the literature is condemned to failure. And Hasani's source foundation is almost non-existent.

An entire library exists on the Prizren League," said Dr Krestic, "but Hasani called for his dissertation to be defended in Zagreb. He sees something positive in the Prizren League, and then is surprised why now the Albanian people cite it as if they had obtained something in our country which the League never offered them. In addition, Hasani writes scornfully of the Balkan wars, misinterprets the attitude of Marx and Engels toward the Balkan people, and on the migration from Kosovo at the end of the 17th century, speaks of the migration of a people but not of the Serbs. Without this historical fact, however, current events in Kosovo cannot be understood."

According to Bogoljub Pejcic, Hasani's basic error is that he was obsessed with the 'symmetry of Albania and Serbia,' regardless of the era in question. Therefore, in reading the book, "Kosovo: Truth and Errors," we move further from the truth and closer to the errors. Uncritically accepting certain authors, such as Dr Skender Rizaja, Hasani writes that Albanian also took part in the Battle of Kosovo, and speaks of the identical situation of the Serbs and the Albanians under the Turks, even though foreign historians have established that the Albanians were the main force of the Turkish army. They did not experience Turkish control. After all, they would not

have settled the Drim valley from free Albania in order to suffer Turkish oppression. And they clashed with the Turks when the latter wanted the Serbs to defend the peasants on the land holdings.

"As far as the image that the Albanians settled with the Serbs is concerned," said Pejcic, "it has been shown historically that only two groups from the tribe of Kliment, which lived in northern Albania, moved north in one of the migrations, but no one from Kosovo."

Branko Perunicic cited Deacon Jovan, who in 1690 described the migration to Budim, which led 37,000 Serbian families on a long journey. These families, commented Perunicic, had no small number of members; they were collectives with dozens of members. Therefore, that migration cannot be considered insignificant.

Dr Djordje Trifunovic has also presented documents on the migration, and because various Albanian authors deny Kalasijev's supposition, he has written the book, "Witnesses on the Migration."

#### Chickens and Eagles

While the 2-day discussions of the description of the distant past took place in a cool exposition of historical documents in which facts were confirmed or falsifications negated, the analyses of writing on the modern every-day life in Kosovo were fraught with sensitive charges. This happened especially when the discussion turned to the attempted counterrevolution of 1981 and the emigration of the Serbs and Albanians under the pressure of Albanian nationalists and separatists. Emotions at times led to uncontrolled declarations, which lessened the contribution of the analyses of the books which cultivate this period.

Dr Ilija Vukovic, author of the book, "The Autonomous Nature and Separatism in Kosovo," said that he was forced to write it by Dr Hajredin Hodja, who presented to the public the "most scandalous book with regard to Yugoslavia." According to Vukovic, Hodja did not lash out in irredentism, and even cites that in the new Yugoslavia, Albanians had no benefits until 1968, when they were overcome by a regeneration. And this coincides with the beginning of the mass emigration of Serbs and Montenegrins.

"I came to the conclusion," said Dr Vukovic, "that Dr Hodja is a proponent of those forces in Kosovo that hold to the separatist line from the time of the Bujan Conference to this day. Limitation with nationalists did not begin, for while the chickens go to prison, the eagles remain in legal political institutions. And they have indoctrinated innocent Albanian youth.

Dr Milan Cukovic, professor of constitutional law, said that the Vukovic work is a book of truth which reveals some errors, such as the statement that the Albanian emigration in the Province is an "insignificant question."

In speaking on Spasoj Dzakovic's book, "Conflicts in Kosovo," Vasilije Kalezic said that the work's tracking of the roots of the current unrest,

of the ideological bases of the counterrevolution clears up the Balist and Cetnik movement and their collaboration, as well as the role of the CPY in the revolution. In that it was written by a fighter, the book bears elements of memoir literature.

#### Who Defends Bujan

The author himself, upon taking the floor after this, strived to clear up the conference in Bujan, at which the participants (among whom were Albanian citizens) came out in favor of the annexation of Kosovo by Albania. This is, according to Dzakovic, a meeting of usurpers and their decisions are invalid.

"It is of great concern to irredentism that this Conference remain historic," added Dzakovic. "But the Conference in Bujan is, in actuality, a conspiracy against Yugoslavia."

Batric Jovanovic, a delegate to the Federal Assembly of the SFRY, as well as author of the book, "Kosovo, Inflation and Social Distinctions," said that the Bujan Conference is defended as an inheritance for some future time, when it will be flaunted before international forums. "The resistance was such," he said, "that in the Assembly's conclusions the position of the conference was presented with the greatest scorn, as it deserved."

The irredentist movement, according to him, is not only nationalistic but already chauvinistic, for it brings out the deepest animosity toward other peoples. That is speaking of genocide of the Serbian and Montenegrin population.

The word 'irredentist' does not correspond to the Albanian separatist, cautioned Radomir Smiljanic. The term comes from Italy and holds the meaning "movement for the return of unliberated territories."

"This expression was intentionally launched in Kosovo so that in international forums it would give legal legitimacy to the demands of the Albanian separatists for the secession from Yugoslavia and annexation by Albania of this province," added Smiljanic. "Kosovo is not an Albanian territory, therefore the word irredentism is used erroneously. The toponym itself is Serbian. But the Albanian nationalists and fascists want to expel those who have lived on this land for centuries."

Even the everyday events of Kosovo were discussed and the books were mentioned. For some, the books were just a motive for stating their opinions now about something which had occurred earlier. This distracted attention from the texts, which were most often awarded praise. There was no time for censure. But not all books have the same value, neither as documents nor as literature.

But the writers should discuss that next time.

13187/12899  
CSO: 2800/251

## MODERATE DECLINE IN BIRTH RATE, AGING OF POPULATION PROJECTED

Prague RUDE PRAVO in Czech 15 Jul 86 p 4

[Article by Pavel Ctrnact, doctor of natural sciences, Federal Statistical Office: "How Many of Us Will There Be in the Year 2000?--Changes Will Also Occur in the Age Composition of the Population"]

[Excerpt] Birth Rate and Fertility

During the census of people, houses, and apartments on 1 December 1970, Czechoslovakia had 14.3 million inhabitants (9.8 million in the CSR and 4.5 million in the SSR), in other words, 2 million more (that is to say, 16.3 percent more) than during the first postwar census conducted in 1950. At the same time, in 1970, following a long period of decline in the number of children born and a decline in the birth rate and fertility (indicators based solely on the number of women of child-bearing age) and following a decline in the natural increment, whose postwar minimum was recorded in 1968, a favorable turnaround in population development began to be discerned. In subsequent years, fertility rose sharply and in 1974 and 1975 it reached the second postward maximum (the first was recorded in 1946-1947). In 1974, there were 292,000 live births, whereas in 1968, there were only 215,000 live births. The so-called net measure of reproduction attained a value of 1.18. Simply stated, this meant that after subtracting the influence of mortality, the next generation of women of child-bearing age would be more numerous by 18 percent in the generation of their mothers. From one of the last places in Europe in terms of fertility, Czechoslovakia climbed to third place in the course of only a few years. At the same time, the reproduction conditions in the CSR substantially approached those in the SSR.

There were a number of reasons for the express changes in the reproduction behavior of the population. This was a very favorable period in terms of the age composition of the population when the child-bearing years of maximum fertility were entered by a numerically much stronger class of women born during the postwar era. A second reason was the spontaneous compensation of the preceding era of the postwar minimum fertility at the end of the 1960's, when deferred pregnancies were realized. A third reason was uniquely most important. After negotiating the crisis period, the internal political and economic conditions were rapidly consolidated. An increased pace of national income growth facilitated the acceptance of a broader complex of measures to aid

young households and families with children which specifically and positively influence their situation in joining in marriages and deciding to raise a family.

The favorable population climate lasted until 1979. The adopted population measures gradually lost their effect and, in 1980 through 1981, there ensued a sharp decline in fertility, accompanied by an increase in spontaneous abortions. During the past 2 years it is possible to consider the level of reproduction in the CSR as having been stabilized and that in the SSR as continuing a mild decline, but the net rate of reproduction continues to be 15 percent higher in the SSR than in the CSR. It must be stated that, in the CSR and beginning in 1981 not even in Czechoslovakia as a whole, the long-range net reproduction rate of the population is not assured.

#### Population Outlook for Czechoslovakia

In mid-1985, the number of inhabitants of Czechoslovakia reached 15.5 million. The SSR had 5.2 million, that is to say, 33.4 percent of the total. Overall, for the years 1971 through 1985, the number of inhabitants increased by 1.171 million (8.2 percent), including 534,000 in the CSR (5.4 percent), but 637,000 in the SSR (14.1 percent).

The planning and management of our society, however, demands reliable information even involving the future development of the population. The computation of projections and prognoses is the task of state statistical organizations.

In the projection through the year 2000, it is anticipated that fertility and the maintenance of certain differences in its volume between the CSR and the SSR will undergo a further slight decline. With respect to mortality, only partial changes are anticipated, with particular improvements occurring in the middle years. Under these conditions, the population of Czechoslovakia can be expected to increase by the year 2000 by roughly 500,000 people and to slightly exceed the limit of 16 million inhabitants. While it is necessary to anticipate a stagnation in the number of inhabitants in the CSR (10.3 million), the entire increment can be ascribed to the population of the SSR, whose numbers will rise to 5.7 million. But the rate of increment will also be slower in the SSR than it is during the current period.

Changes in the age structure will be more significant than the development of the overall number of inhabitants. The number of children under 15 years of age will decline from the present 24.4 percent to 20.3 percent (in the CSR, from 23.4 percent to 19.2 percent), the number of inhabitants of postproductive age will be around 19 percent. The largest changes will occur with respect to the population in the productive years. During the period of 1986 through the year 2000, the potential source of manpower will increase by virtually 1 million persons--in other words, by approximately 11 percent. Professional training will be gradually completed by the numerically strong age classes of the 1970's and they will be joining the labor force. A basic task of the 9th and 10th Five-Year Plans will be the efficient utilization of this tremendous human potential. It is necessary to be aware that this will involve an influx of young people with completely new types of qualifications

which it will be essential to utilize as a mighty source of accelerating scientific-technical development and the growth of productivity and the national income, as well as the standard of living of all the people.

At the very beginning of the next century, on the other hand, it is necessary to anticipate a specific increment in older people. The strongest postwar age classes of the population will be entering the postproductive era. Given the anticipated productivity in production, this will certainly not represent an economic problem but it will be necessary to prepare for the situation, particularly in the social area. The share of the older population will approach one-fourth and will expressly outstrip the share of children under the age of 15.

Population projections and prognoses make it possible to react in a timely manner in the economic and social area to changes in the numbers and structure of the population. Consequently, they are among the most important planning documents and it is essential that the planning and management sphere devote constant attention to them.

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### ABSENTEEISM IN INDUSTRY CAUSES WORRY

Prague RUDE PRAVO in Czech 21 May 86 p 4

[Article by Zdena Stepankova: "To Record and Resolve"]

[Text] Inability to work because of illness and accidents reached the figure of 4.33 percent last year. In the Czech Socialist Republic it was 4.46 percent and in the Slovak Socialist Republic 4.03 percent. This is somewhat higher than in 1984.

Job absenteeism above the national average was recorded by trade unions of workers in commerce, health, construction and the manufacture of building materials, by the trade union of the chemical, paper and glass industry and printing, transportation and road maintenance, the lumber industry, forestry and water management and the trade union of the textile, clothing and tanning industry, the food processing industry and mining and power.

By regional analysis, the lowest average percentage of absenteeism was in Bratislava and the East Slovak and West Slovak krajs, while the highest rate of absenteeism occurred in the North Moravian and North Bohemian krajs and in the capital, Prague.

Absenteeism, especially when it is on the rise, should not be disregarded by any enterprise or organization. It always indicates something. Either people are ill more often or else the organization's policies are not being observed consistently or perhaps the health services are not functioning properly. There are long waits for examinations, for admittance to hospitals or for recuperation and the person stays home needlessly.

One cannot generalize; conditions are not the same everywhere. Sometimes there really is more sickness and then the working conditions should be checked. And if they are bad they should be improved. It probably is not be chance that many trade unions with above average rates of absenteeism include jobs with a high percentage of women. In fact, for several years now it has been noted that women are sick more often. Do the enterprises know why this is so? They ought to find out because all organizations have an obligation to regularly analyze absenteeism and draw conclusions from them.

Mention should also be made of the waiting period for doctors' examinations. In the editor's office we have several complaints, for example, about long waits in the eye doctor's office. For the most part, especially in Prague, there are no appointments; a person simply has to wait until his turn comes. And that also takes several hours. But the optical departments are not the only ones. Not every employee, meanwhile, has his own enterprise doctor. He has to go to the place of his residence and there he waits too. Of course it is true that some are quite happy to wait because they get out of work.

If there were regular analyses of absenteeism then all these problems would be discovered and corrections could be made. It appears, though, that in many enterprises, and especially in administration, they do not worry about it much.

The intent of discussing absenteeism is not to send people who are not fully recovered back to work. That would not pay off because the ailment could return and then the person would be sick much longer and perhaps even have complications. The thing is to eliminate the causes for the higher rate of sickness and the organization's deficiencies which are the reason why absence from the job is needlessly protracted without having any effect on the treatment and health of the worker.

Last but not least, it is also necessary to give more attention to discipline regarding sick people, to see whether they are really getting medical treatment or are simply goofing off.

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